

THE TIMES 1785-1985 Tomorrow

First work Extracts from The Times winning novel Ascent of woman Female challenge to the mountain men Dust to dust Amid the ruins of Mexico's lost civilization Wimbledon warm-up Rex Bellamy reports on the Eastbourne women's tournament

Portfolio There were two winners in The Times Portfolio Competition yesterday. Mr Roger North of Twickenham, Middlesex and Mr Terry Overill of Liverpool each received £2,000 because the prize was won on Wednesday Portfolio list, page 18, how to play, information service, back page. Tomorrow, there is £22,000 to be won £20,000 in the weekly competition and £2,000 in the daily.

Pound dips on news of US growth The dollar closed 2.7 cents up at \$1.2792 against the pound in London and was also stronger in New York. It was boosted by the news of stronger-than-expected US growth in the second quarter. Kenneth Fleet, page 19

Police ring Stonehenge Police officers in Wiltshire set up check points for 20 miles around Stonehenge yesterday to prevent about 1,000 hippies from converging on the ancient monument to celebrate today's summer solstice. All police leave in the county was stopped

Oslo's Philby Norwegian spy Arne Treholt, jailed for the maximum 20 years for passing secrets to Russia and Iraq, ranked with Kim Philby as an espionage success, according to British security experts Page 7

Words worth Mrs Susan Kay has been awarded the £12,500 Betty Trask award, for an historical romance which was left under her bed for 16 years after she finished writing it Page 3

Electric shop A network of electronic terminals are to be installed in 1,000 shops, to make shopping by cheque or credit card easier Page 3

Double Gold Gildoran made all the running to win the Gold Cup for the second year in succession at Royal Ascot. Longboat finished second and Destroyer third Page 25

Leader page, 15 Letters: On rents, from Mr P Horder, MP, and Mr P J Peck; teachers, from Mr B C Barker. Leading articles: Civil Service management. Features, pages 12-14 The message of the local elections, MPs and lobbying; Can tourism help Tibet?; The winners of The Times/Jonathan Cape Young Writers' Competition. Obituary, page 16 Dr Joseph Croney, Mr John Sutro

Table with 3 columns: Page, Section, Page. Includes Home News, Overseas, Arts, Business, Court, Countdown, Diary, Events, Law Report, Motoring, Parliament, Sales Rooms, Science, Sport, TV & Radio, Theatres, Universities, Weather, Wills.

Lawson censures Bank on Johnson Matthey collapse

The Chancellor of the Exchequer yesterday censured the Bank of England for failing to act promptly to avert last year's £248 million collapse of Johnson Matthey Bankers.

Mr Nigel Lawson, Chancellor of the Exchequer, censured the Bank of England yesterday for failing to act as promptly as it should have done to avert last year's £248 million collapse of Johnson Matthey Bankers.

It emerged last night, however, that there have been no dismissals and no resignations from the Bank's supervision department. One manager has been transferred.

But Mr Lawson did tell MPs, in reply to questions, that much of the old JMB board had resigned, that the private sector risked 86 per cent of the losses.

Accountancy firm to be sued

Johnson Matthey Bankers and its former parent, Johnson Matthey plc, are to sue Arthur Young, the firm of accountants which audited the bullion bank until it had to be bailed out.

700 jobs to go at Shell plant

Shell Chemicals UK has announced that 700 of the 1,200 jobs at its Carrington plant near Manchester are to go.

Speaker promises questions review

The Speaker, Mr Bernard Weatherill, agreed yesterday to think again about his remarks which Labour MPs feared might limit their chances to question ministers.

BBC opts for £30m White City site

London to White City, and will eventually leave the BBC with only two main central London locations, Broadcasting House, its original headquarters, and Bush House, the base of BBC External Services.



American hostage Mr Allyn Conwell, "elected" by fellow hostages to speak to journalists at Beirut airport. "We are all in good health," he said.

Hostages appear at chaotic press conference

In a chaotic, frenzied and finally violent press conference last night, Shia Muslim gunmen from the Lebanese Amal movement produced five of the American hostages taken from the hijacked TWA jet at Beirut airport and set them down before a bizarre buffet dinner in the airport's transit lounge to explain that they and their fellow-captives were alive and being well-treated.

Chairs and tables were overturned as several militiamen in green uniforms brandished pistols in the air while their colleagues struck reporters with rifle butts.

What started as a "tea party" to use the words of Mr Ali Hamdan, one of the officials close to Mr Nabih Berri, the Amal leader, ended prematurely

Britain 'not able to cope with drugs problem'

Britain has "woefully inadequate" treatment and rehabilitation facilities to cope with the growing number of hard drug addicts, an all party Commons select committee disclosed yesterday.

The committee accused the Government, which has only a handful of officials dealing with the problem, of displaying little sense of direction in its efforts to prevent drug misuse.

Israel says no swap for hostages

The Israeli policy of official silence on the TWA hijacking broke down comprehensively yesterday with senior ministers going on the record in an effort to try and dissociate Israel from any responsibility in the affair.

Following controversial remarks made on American television by Mr Yitzhak Rabin, the Defence Minister, Mr Yitzhak Shamir, the Foreign Minister and vice-Prime Minister, said in a television interview that he did not believe that Israel would agree to release the 764 Shia Muslim detainees being held in northeast Israel.

Mr Shimon Peres, the Prime Minister, claimed that Israel had no responsibility for the hijacking and therefore would not relate to it in public. However, he said he respected and admired very much the position taken by President Reagan.

Angry Reagan says America has reached its limits

President Reagan, declaring that "our limits have been reached," yesterday named Vice-President George Bush to head a task force to co-ordinate US and allied attempts to curb international terrorism.

Mr Reagan, reacting to the killing of six Americans in El Salvador, and the hijack crisis in Beirut, said the vice-president would pursue his campaign for a co-ordinated Western effort to combat terrorism during his seven nation trip to Europe which begins this weekend.

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With the increasing number of heroin and cocaine addicts expected to accelerate dramatically in the next few years, the MPs demand an immediate increase in drug units, specialist medical staff and the setting up of a national drugs advisory service. Otherwise, it says, hundreds of addicts will die.

Mrs Renée Short, Labour MP for Wolverhampton North-East and chairman of the social services select committee, said: "All this will mean the Government will have to provide resources. You can't do it without money. This will not be a very popular recommendation with the Government, but the services, care and advice have to be made available."

SA.A. More non-stops to South Africa. SAA offer more non-stop flights to and from South Africa. 12 every week. Including a direct service to and from Cape Town. Daily to Johannesburg. SAA fly the most spacious, most advanced Boeing 747s in the air. That's why you can't beat SAA.

CLARK LIST Benefits, Marriage Rachel Cairns, GER-DEPARTMENT, ROLLER, Financial roller Paris 10,000 FF

Economics key word as talks break down

By our Labour Reporter

Talks on a new colliery review procedure broke down last night on the issue of economics - the problem at the heart of the miners' strike. The National Coal Board insisted that the viability of pits should be a legitimate criterion for referring proposed shut-downs to the modified procedure with its new dependent element.

More than three and a half hours of discussions involving Mr James Cowan, the Board's deputy chairman, the National Union of Mineworkers, the British Association of Colliery Management, and the National Association of Colliery Overmen, Deputies and Shiftworkers (Nacods) ended in deadlock.

It was the sixth meeting on the subject and no further talks are planned. But Mr Arthur Scargill, NUM president, said he was prepared to try again to arrive at a deal. Mr Scargill said the talks had reached stalemate because of the Board's insistence on including words in the procedure which would "influence and prejudice" hearings by the independent body.

Mr Ken Stamp, president of the deputies, said the modified review procedure was the only formal way in which the industry's employees could protest over colliery closures. But he added that the argument had yet again centred on the word "economic".

The NCB's commitment to a new procedure started a deputy's strike last October, but details of the mechanism have proved extremely difficult to work out.

Recourse in tribunals, NCB says

By Barrie Clement Labour Reporter

The National Coal Board yesterday decided to reject a parliamentary select committee's request to review the cases of miners dismissed during the year-long strike. The board has refused to reemploy 599 pitmen out of 1,013 dismissed.

The all-party committee, which reported on Wednesday, had not given "full weight to the extraordinary conditions of violence and intimidation which arose during the recent strike, and the period which immediately followed".

It was noted that the committee's decision was not unanimous. The recommendation was passed by a six to five majority.

The board repeated its insistence that all dismissed miners had legitimate recourse to industrial tribunals and that area managements were continuing the board's policy of reviewing dismissal cases. But the committee's suggestion that all areas which did not investigate dismissals should now do so, and that there should be a national investigation into all such decisions, was rejected.

The board's statement said that officials had operated within the normal Acas code on disciplinary procedure where "practicable and appropriate".

One of the main causes of disquiet was the seeming inconsistencies between one board area's policy, and another in Scotland, out of 202 pitmen sacked, none were reemployed, but in South Wales out of 37 dismissed, 23 were reinstated.

More than 300 delegates from the traditionally militant South Wales coalfield voted overwhelmingly to oppose a proposed rule change which would allow Mr Arthur Scargill to remain as NUM president until he retires.

Tory anger over MPs' call for review of pit dismissals

By Julian Haviland, Political Editor

The Government's embarrassment and anger over the Commons employment committee's call for a review of the cases of miners dismissed during the strike was shown at yesterday when the Prime Minister condemned the committee's report as "shabby".

At the same time 150 backbench Conservative signatures were quickly put to a motion describing the report as partisan and unbalanced.

The report was approved because one Conservative, Mr John Gorn, voted consistently with the Labour minority, to the anger of his fellow Conservatives and the disgust of ministers.

It called a review by the National Coal Board, at national level, of the cases of dismissed miners whose reinstatement had been rejected at area level; and of areas which had not held reviews to hold them.

Mrs Thatcher, fired by an invitation from the Labour benches to instruct the coal board accordingly said the board would consider with care the committee's recommendations, which they noted were not unanimous.

She added: "It was shabby that the committee did not in any way condemn the tactics of violence and intimidation against working miners".

A bitter, behind-the-scenes Commons clash went public yesterday when a Conservative MP delivered a scathing attack on a Tory backbench colleague and the Labour chairman of the Commons Select Committee on Employment (Anthony Bevins writes).

The committee urged a national review of more than 600 cases of striking miners who had been dismissed and refused reinstatement.

But Mr Gerrard Neale, Conservative MP for Cornwall North and a member of the employment committee, went to a press conference yesterday and attacked Mr Gorn, Conservative MP for Hendon North; Mr Ron Leighton, the Labour chairman; and the report, which had already been dismissed by senior Whitehall sources.

With Mr Gorn sitting a few feet from him, Mr Neale said his colleague was a "maverick".

Mr Neale said that he objected to the report because the committee had failed to address the considerable injustice suffered by working miners who were continuing to suffer intimidation.

He also said in a further reference to Mr Gorn: "I do not wish to be a party to a report which gives succour to people who have committed violence against their fellow employees, and I think those people who have supported this report must be accountable to their own conscience and their own constituencies".

Mr Gorn said that he was flattered to be called a maverick: "Somebody who considers things on their merits. He said that Mr Neale was doing less than justice to Tory members of the committee who had investigated coal board and union witnesses. He was only surprised that having heard the evidence, Mr Neale's conclusion 'didn't flow from it'".

Mr Neale had taken the view, echoed by government sources yesterday, that the matter was for the coal board and that select committees would be better served if they examined issues of greater consensus. He threatened that Conservative members would have to "reconsider their position" if that did not happen.

But Mr Leighton, who had by this time given up his press conference, pointed out that the committee had reached considerable agreement on wage councils and a unanimous report on the controversial issue of the GCHQ union ban.

He complained that the Tory dissidents had held a "caucus" prior to the report meeting and that "half the committee had made their minds up before we started". That, he said, was not in the spirit of the select committee system.

The press conference was also attended by Mr T. Denis Gard-Jones, a government whip who would report back to ministers on a dispute which could yet have consequences for the select committee system.

The committee's criticism, published on Wednesday, centred on inconsistencies and anomalies in the criteria used for reemployment between coal board areas.

Mr Ian MacGregor, the chairman of the board, has said that there was a central philosophy which guided the policy, although the final decision was "devolved".

Mr MacGregor emphasized that the central principle was that "areas should not reinstate anyone who has been dismissed after conviction for acts of serious violence, intimidation or vandalism or dismissed on good evidence of involvement in them".

The application of that broad policy seemed to be somewhat uneven. In Scotland, 202 men were dismissed and none have been given their jobs back. In the North-east, 230 were dismissed but 127 have since been reinstated.

In Yorkshire, 310 were dismissed and 96 taken back. In the Midlands, 196 were dismissed and some have been reinstated. Parliament, page 4

Coal board guilty of 'arbitrary clemency'

By our Labour Reporter

The National Coal Board, in the words of the Select Committee on Employment, has been guilty of an "act of arbitrary clemency" in its treatment of miners dismissed during the year-long strike.

According to the coal board yesterday, it has declined to reinstate 599 of the 1,013 dismissed.

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A three-year pay deal has been struck between Nabisco, the American food manufacturer, and the General, Municipal and Boilermakers' Union, representing 1,700 production workers at the Jacobs biscuit factory at Aburath, Liverpool, which gives rises of 27.5 to 30 per cent, and a return for 170 voluntary redundancies and far-reaching changes in working practices.

Lecturers angry over 'skiving' claims

By Lucy Hodges, Education Correspondent

Lecturers in polytechnics and further education colleges reacted angrily yesterday to a report which said they worked too few hours, taught too few students and were "on the fiddle".

They rejected allegations of malpractice and said it was not true that they did not work hard. The report, from the Audit Commission - the body set up to monitor financial efficiency in local government - found that many lecturers did a 10-hour teaching week, had classes as small as five or six students; and that some staff claimed to have taught classes they had not.

Mr David Treisman, national negotiating secretary of the lecturers' union, the National Association of Teachers in Further and Higher Education, did not deny those details but said the evidence did not justify the claims made.

"It is nonsense to suggest lecturers are skiving", he said. They spent a great deal of time on individual tuition, counselling said administrative work, acting as course tutors, attending meetings and writing letters. They also did marking and lecture preparation, mostly in the evening, because they did not have time during the day.

The report, which looked at one third of the 550 further education colleges and polytechnics in England and Wales



Britain's largest gorilla, Djoum, feasting on fruit in his new enclosure at Howletts Park Zoo, near Canterbury yesterday (Photograph: John Manning).

Scheme to help save small farms

By John Young

Proposals aimed at helping small farms to survive were put forward yesterday in a discussion paper issued by the National Farmers' Union.

They include a "code of practice" discouraging amalgamations of tenanted holdings, an appeal for relief from capital transfer tax, controls on the buying and selling of land and on farm sizes; direct payments to increase support for small livestock farmers, including special assistance for those kept on permanent grassland, and favourable treatment for small dairy farmers in any arrangements made for the transfer of milk quotas.

The discussion paper pointed out that many owner-occupied smaller farms have disappeared because they have been unable to achieve a big enough turnover.

The problems of surplus production and budgetary restraint affecting the EEC are leading to financial pressure on agriculture, with smaller producers the worst affected.

The NFU believes that many small and part-time farms can remain viable if given a measure of assistance. Such help would be justified in the interests of preventing further rural depopulation, it urges.

Any new arrangements would have to be consistent with EEC rules and require new Community legislation, but the new EEC structures regulation is itself changing the emphasis of policy in favour of smaller farms.

The NFU also announced a long-term fund-raising programme to finance agricultural projects in the Third World.

The Send A Tonne Development Fund is a successor to the Send A Tonne To Africa campaign, which raised more than £2 million and sent nearly 12,000 tonnes of wheat to the famine areas of Ethiopia.

Omens good for sea eagles in Scotland

By Ronald Faux

The last batch of white-tailed sea eagle chicks in a 10-year project to reintroduce the birds into Britain arrived yesterday from Norway.

They were flown to RAF Kinloss and into formal quarantine as it was announced that a pair of Norwegian sea eagles introduced earlier had nested successfully, the first to do so in the wild in Britain for nearly 70 years.

Strikes for 42 areas

By Lucy Hodges, Education Correspondent

The National Union of Teachers announced last night that it would be holding three-day strikes in schools in 42 authorities next week.

They are: Barry, Trafford, Wirral, Sefton, Stockport, Manchester, Bolton, Doncaster, Bradford, Kirkstall, Leeds, Barnsley, Rotherham, Humberstone, North Yorkshire, Calderdale, Sheffield, Derby, Leicestershire, Nottinghamshire, Lincolnshire, Northamptonshire, Staffordshire, Hereford and Worcester, Wolverhampton, Solihull, Walsall, Essex, West Sussex, East Sussex, Kent, Hampshire, Berkshire, Devon, Dorset, Avon, Powys, ILEA, Barnet, Bexley, Redbridge and Waltham Forest.

Civil Service campaign

By David Walker, Social Policy Correspondent

Whitehall's top officials have embarked on a tub-thumping campaign to lift the morale of their staff after the Poincaré affair, the decision by the Government to hold down Civil Service salaries, and the damaging allegations that the upper ranks have become politicized.

This week Sir Robert Armstrong, Secretary of the Cabinet, and Miss Anne Mueller, the second Permanent Secretary with the overall responsibility in the Cabinet Office for management, chose to make bullish public speeches depicting positive aspects of the Civil Service. And today the Board of Inland Revenue makes public a document being circulated to tax staff which sets out in unprecedented detail staff and computer changes and describing an optimistic future.

Sir Robert, who rarely speaks for the public record, told the annual conference of the Chartered Institute of Public Finance and Accountancy that there was no truth in the Whitehall rumours that candidates for top jobs are now vetted by the Prime Minister on political grounds.

He went out of his way to emphasize that his role in senior appointments included making sure that political considerations did not enter; he made sure jobs went to those best qualified.

He and Miss Mueller, who also spoke to the accountants' conference, emphasized the virtue of public service. In Whitehall this has now become a code phrase to be used against ministers, including Mrs Margaret Thatcher, who in the past have devalued the work of the Civil Service.

Miss Mueller sketched a bright future in which in spite of job cuts, the Civil Service would become more managerial and efficient. She responded to criticism that the Government does not know what it wants the Civil Service to be by saying there was a strategy for change that would last until the year 2000.

She said: "The Civil Service has already embarked on a series of fundamental reforms which will substantially improve its effectiveness in serving the community and responding to new problems as they arise in an increasingly uncertain world. The leadership will exist to carry through these reforms."

While acknowledging problems in recruiting and keeping trained tax inspectors, a report by the Inland Revenue, *Direction of Change*, says that within four years a complete network of computers would be in place to deal with Pay As You Earn and Schedule D taxation.

There had been "turbulence and uncertainties" the paper said, but staff were reassured that there was a plan to carry the Inland Revenue into the 1990s with more confidence. An initiative was launched to improve its public relations.

Leading article, page 15

Armstrong acts to lift morale

By David Walker, Social Policy Correspondent

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Leading article, page 15

Another union votes for levy

By Rupert Morris

The Union of Communication Workers because the fourth union yesterday to reaffirm through a ballot its support for a political fund. It has 195,698 members spread round the country, with 30 per cent female membership, and is the largest and most significant union to vote so far.

In a 70 per cent postal vote, 102,546 voted "Yes", and 33,337 "No". There were 571 spoilt papers, and the count was supervised by an official of the Industrial Society.

Other unions to have held similar ballots and to have voted to retain the political fund are the print union Sogat '82, the Furniture, Timber and Allied Trades Union (FTAT), and the Iron and Steel Trades Confederation (ISTC).

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Unionists in talks over IRA attacks

By Douglas Hurd, Secretary of State for Northern Ireland

Mr Douglas Hurd, Secretary of State for Northern Ireland met the leaders of Ulster's two unionist parties separately and then, at their request, together in London yesterday to discuss the tensions and the resurgence of Provisional IRA attacks.

Both Rev Ian Paisley, leader of the Democratic Unionists and Mr James Moynihan of the Official Unionists warned of the tensions and the resurgence of Provisional IRA attacks.

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Brecon bubbles with poll permutations

By Philip Webster, Political Reporter

The Brecon and Radnor by-election is fast developing into the most fascinating, and difficult to predict, contest since the Liberal/Social Democratic Party Alliance was formed in 1981.

If the Alliance is to gain the victory it needs on July 4, it may have to achieve it by a different route than previous by-election successes, which started with Mr Roy Jenkins's dramatic near-miss at Warrington in 1981.

Part triumphs have nearly always come where one of its main opponents has started in a hopeless third position, leaving it vulnerable to a relentless Alliance squeeze as the contest develops. At Crosby, it was Labour and at Bromley, the Conservatives.

That is unlikely at Brecon. If Mr Richard Livsey, the Alliance candidate, is to win the seat from the Tories, there are signs that he will have to do it without the benefit of a chunk of the Labour vote, 25 per cent at the general election in 1983.

As the contest came alive this week, all the party camps agreed that the permutations were numerous.

Independent observations suggested that while the Alliance position appeared to be improving at the expense of the Tories, the Labour vote was holding. Although the MORI showing him 8 per cent in front seemed wide of the mark, Mr Richard Livsey, its candidate, was getting enough promises of support from disgruntled Tories to begin expecting at least an increase in 1983.

At the general election it is estimated that about 5,000 of 6,000 of the Labour vote of 9,471 came from the old mining area of Ysgardynlais in the south. It would be surprising if they deserted him.

Mr Livsey, an earnest 50-year-old whose knowledge of local issues seems to be serving him well in his doorstep campaigning, will need a considerable collapse of the 48.2 per cent vote obtained by the former Tory MP Mr Tom Hooson to see him home.

There is guarded confidence in the Alliance camp. Accompanying Mr Christopher Butler, the Conservative candidate, it is obvious that high unemployment, the teacher's strike and worries over agriculture weigh heavily on 1983 Tory voters.

A majority of those saying they will desert the Conservative cause are yet to be preparing to back the Alliance.

The voters have "extraordinary sophistication", Mr Paddy Ashdown, Liberal MP, remarked this week. Like Mr Livsey, Mr Butler and Mr Willey, son of Fred Willey, the former Labour minister, are competent unexciting performers, well-chosen in a seat where flamboyance would be frowned upon.

Mr Willey is being subjected to ridiculous overprotection by campaign managers, who appear not to trust the journalists.

Mr Hooson, an independent spirit, clearly had a large personal following taking over the rural Welsh local vote which supported Labour MPs for four decades.

Mr Livsey appears (just) to be the most likely candidate to inherit that mantle. If he does not pick up enough of the Tory vote the failure of Labour's to crumble could leave Mr Butler in front. A win for Mr Willey would be a surprise.

A Tory third place would not be astonishing.

Nominations closed last night with seven candidates declared. They are: Christopher Butler (C); Richard Livsey (LSDP Alliance); Richard Willey (Lab); Mrs Janet Sutcliffe (Plaid Cymru); Lord David Sutcliffe (Official Monster Raving Society); Roger Everest (One Nation Conservative); Andre Gennard (Free World From Multiple Sclerosis).

General election 1983: Hooson, T. E. (C) 18,255; Morris, D. (Lab) 9,471; Livsey, R. (L/AI) 9,226; Meredith, M. S. (PLC) 640; Booth, R. (Ind) 278. C. maj: 8,784.

Lords support Common Market for mortgages

By Christopher Warman, Property Correspondent

An EEC proposal for a common market for mortgage credit receives support from a House of Lords select committee report published today.

The Lords' European Communities Committee says there is no reason in principle why Europe should not enjoy a common market in mortgage credit, which would be a useful step towards a free internal market in all financial services.

The proposal, in a Commission directive, is that building societies and other institutions would be able to use traditional "techniques", which differ substantially between countries.

Opening up this market would add appreciably to consumer choice and increase competition, the committee conclude. Welcoming the plan in principle, it records that the British building societies, with much expertise to offer, strongly support the proposed liberalization.

11th report of the House of Lords Select Committee on the European Communities, 1984-85 (HL 177: A Common Market for Mortgage Credit (Stationery Office, £7.20p).

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PARLIAMENT JUNE 20 1985

Rescue of Johnson Matthey

Lawson's statement

Commentary

Banking Bill in wake of JMB collapse

Kinnock accused of disregarding money

SOCIAL SECURITY

BANKING

The collapse of Johnson Matthey Bankers with losses of £248 million exposed major shortcomings in the present law and supervisory procedures which would be tightened up, Mr Nigel Lawson, Chancellor of the Exchequer, announced in the Commons.

A White Paper would be published later this year, he said, followed by a Banking Bill which would abolish the two-tier system of supervision and allow regular dialogue between supervisors and auditors of banks.

He said JMB would be taking legal action against Arthur Young, its auditors and he pointed out that the supervisors could not escape criticism for failing to respond more quickly to the danger signals.

While being questioned about his statement Mr Lawson said the Bank of England did to some extent fall down on the job but, he added, he has complete confidence in the Governor of the Bank of England, Mr Robin Leigh-Pemberton.

Mr Lawson said: "In my statement on December 17, I told the House the Johnson Matthey Bankers affair raised important issues about our present procedures of banking supervision, and about the framework within which it is conducted.

I announced a full review, which would consider whether any early changes in present supervisory procedures were called for in the light of the problems which had arisen in Johnson Matthey Bankers, and whether there was a need to review or amend the Banking Act 1979.

The review committee has presented its report and I shall be considering the committee's proposals carefully. In the meantime, I have accepted the report as a basis for immediate consultation.

Many of the recommendations do not require legislation. Some are already being implemented. But some of the committee's proposals do require fresh legislation.

I therefore propose to publish a White Paper later this year, with the intention of bringing a Banking Bill before the House as soon as possible. The House of Commons and Bank officials which I set up under

the review committee's terms of reference is continuing its detailed examination of the Banking Act 1979.

I am most grateful to the Governor of the Bank of England, who has chaired the review committee, and to its members, who comprised senior officials of the Bank of England and the Treasury, and a distinguished commercial banker, Mr Derek Van der Weyer.

A note by the Bank of England on events leading to the failure of JMB, the subsequent rescue by the Bank, and its conduct of JMB's affairs is annexed to the Bank's Annual Report and Accounts, which was laid before the House today.

The Bank's account makes it clear that serious shortcomings in the management of JMB led to its collapse - over-rapid expansion of the loan book, heavy concentration of exposures, and lack of adequate reserves. It was also guilty of serious misreporting to the supervisory authority.

The circumstances described in the Bank's report must inevitably raise questions about the role of the auditors, Arthur Young, the board of JMB, which is a wholly-owned subsidiary of Johnson Matthey plc, and the Bank's original capital, reserves and provisions, and £50 million by a cash injection from Johnson Matthey plc, the former parent company.

The Board of JMB now estimates the company's losses at £248m. Of this £150 million has been met by JMB's original capital, reserves and provisions, and £50 million by a cash injection from Johnson Matthey plc, the former parent company.

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Since JMB is now its wholly owned subsidiary, the Bank of England is now fully exposed to its losses. On November 22 the Bank placed a deposit of £100 million with JMB, which has since been converted into £100 million of additional capital to strengthen JMB's balance sheet. The will, of course, be fully reflected in the price the Bank of England receives for the sale of JMB back to the private sector, which it plans to conclude as soon as practicable.

The review committee has made 34 specific recommendations. Their implementation will require action by the Bank of England, supervised institutions, their auditors and the Government. The arrangements, an several important modifications.

It has taken the view, which I share, that the JMB exposes major shortcomings in the present legislative framework and supervisory procedures. I shall in my statement outline only the committee's main proposals. A full summary of their recommendations is annexed to their report.

The Banking Act 1979 draws a distinction between recognised banks and licensed deposit-takers. JMB was, and still is, a recognised bank.

Most of the Act's provisions, and of the Bank's powers set out in it, relate to licensed deposit-takers. A dual system of supervision has resulted. Licensed deposit-takers have been subject to a more rigorous regime of supervision, whereas the supervisors have relied heavily on the integrity and co-operation of the management of recognised banks.

With most banks, this confidence has not been misplaced, but the banking industry has expanded rapidly and its activities have diversified. Recognised bank status - as we have seen with JMB - has not always guaranteed prudence and responsibility.

The committee recommends that the two-tier system be abolished and that the powers given to the Bank under the Act should apply to all authorised institutions. I accept this recommendation. The committee accepts that all authorised institutions should in consequence be subject to the same banking supervision. In general it does a difficult job diligently and well. But

in the case of JMB the supervisors could not escape criticism for failing to respond more quickly to the danger signals.

The committee has recommended that the staff of the division would benefit from wider commercial experience; that there should be more secondments in both directions between the division and commercial banks; that a significant cadre of experienced long-term banking supervisors must be built up; and that there should be more professionally qualified accountants in the division. It has suggested that more staff are needed.

The Bank has already begun to implement these recommendations. The division is being strengthened both in numbers and in the range of expertise available. Some rearrangement of responsibilities had taken place within the division and further secondments to and from commercial banks have been arranged.

To provide advice at a senior level, Mr Sidney Procter, Chief Executive of the Royal Bank of Scotland Group, who retired from that position on September 30, has accepted the Governor's invitation to serve on a part-time basis as an adviser on banking supervisory issues.

JMB's failure stemmed directly from a number of large, related exposures. The committee recommends that the Bank of England should appoint an audit committee and finance director where they do not already have them.

The committee has also made important recommendations on the staffing and organisation of the Banking Supervision Division of the Bank of England.

The work of the Supervision Division has increased greatly in both complexity and volume in recent years, and the Bank of England has had to recruit new staff. In general it does a difficult job diligently and well. But

authorisation, including the minimum net assets required.

The second fundamental change recommended by the review committee concerns bank auditors. In this context, I am grateful to the Institutes of Chartered Accountants of England and Wales and of Scotland for the co-operation they have afforded the committee. The committee recommends that there should in future be a regular dialogue between the supervisors and bank auditors. I strongly endorse this proposal.

A bank's auditors are uniquely placed to assess its control systems and assess its financial position. The accountability provided at present considers itself prevented by a duty of confidentiality to the client from passing information to the supervisors. At the same time, the supervisors are themselves inhibited by the Banking Act from communicating supervisory information to third parties without the institution's consent.

This is clearly an unsatisfactory state of affairs. It is in cases where such information is not forthcoming that dialogue might be most necessary. That is why I accept the committee's recommendation that the constraints on contact between auditors and supervisors be removed.

I emphasise, however, that it is the directors and senior managers of banks who are responsible for the conduct of their business. They have duties both to depositors and to shareholders. This responsibility cannot be shuffled off to auditors or supervisors.

The lesson of the JMB collapse is that banks must have in place adequate management and control systems. I therefore endorse the committee's suggestion that banks should appoint an audit committee and finance director where they do not already have them.

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Mr Neil Kinnock, Leader of the Opposition, was criticised in the Commons by Mrs Margaret Thatcher, the Prime Minister, for never thinking where the money was going to come from to pay for social security benefits.

Mr Kinnock, in opening exchanges on state benefits, said: "This week the Government announced changes which will reduce child benefit by £250 million and take housing benefit away from 500,000 households."

It is this kind of policy Mrs Thatcher had in mind when she said almost two years ago that this is the kind of policy that the Conservative Government will pursue. It is a policy of cutting the money supply to pay for social security benefits.

Mr Kinnock said: "We have put great emphasis on raising the tax thresholds which are particularly of benefit to families. We have raised tax thresholds far more than the Labour Government ever did."

Housing benefit which costs £4.2 billion this year, will go up after Mr Norman Fowler's announcement to £4.5 billion next year.

Mr Kinnock said: "All of that cost is simply because of the way that the Government has pushed up interest rates and pushed up the rate of inflation. Does that kind of answer offer any comfort at all to the wife of an employed man with two children who has made a significant loss as a result of the Government's refusal to up-rate child benefit in line with inflation?"

Which households are going to benefit as a result of the 500,000 households losing their housing benefit?

Mrs Thatcher: As a result of the total up-rating the working population will have to find some £2 billion extra. Mr Kinnock never

thinks where the money is going to come from.

Extra amount of child benefit will be going to families on low incomes.

Mr Kinnock: When the Prime Minister is taking £250 million away from families and only giving £29 million back, really her targeting is not working very well, is it?

I know where the money is coming from but where is the money going to? Is it going again to be given in tax cuts to the richest in society?

Mrs Thatcher: If one is taking an extra £2 billion out of national income, away from contributors and taxpayers to give to extra social security benefits, then it is clear that it is being taken out and given to people many of whom are in need - an extra £2 billion.

Having read what Mr Kinnock said about the state earnings-related pension scheme, I do not think he is in any position to put accurate questions about social services.

Mr David Owen, Leader of the Social Democratic family support has been social policy across income levels for decades. We are in danger of losing sight of the importance of the family if we only concentrate support on those most in need.

Mrs Thatcher: Dr Owen cannot have been listening to Mr Fowler, Secretary of State for Social Services. Everyone will continue to receive child benefit. The standard rate is £7 a week for everyone with a family and that partly compensates for taking away the child allowance.

Every family will continue to receive it. Families who are worse off will receive more. We cannot give more without looking at the whole scheme. Our policy is the right one.

Dr Owen is trying to give the impression that child benefit is not going to every family. He is wrong.

Geoffrey Smith

One curious feature of Sunday's Chesham meeting will be the political weakness of the Treasury's Cabinet team. Mr Peter Baker, the Chief Secretary, is widely expected to be dropped in the coming reshuffle, and Mr Nigel Lawson has been receiving far more than the Chancellor's customary quota of criticism.

His presentation of economic policy has failed to command public confidence, there is much unhappiness with his performance in the City. He has been losing more battles in Cabinet than is expected of a Chancellor, and he does not have much of a following on the Conservative back benches.

He has, in other words, become a political liability.

As so often in politics, he is being blamed for his virtues as well as for his failings. If he had had his way, the Government would have been more faithful to its principles than it has been. He would have preferred to make more concessions on mortgages and pensions. But he reckoned without the middle-class pressure, and paid too little regard to political realities.

Lawson failing to persuade colleagues

Many of the criticisms that one hears of him in the City relate to his failure to persuade his colleagues to take the decisions that he would have liked them to take. To that extent, he deserves sympathy. He has been more concerned with the national interest and less with sectional interests, than a number of them.

But that is not a sufficient explanation for his difficulties. His intellectual abilities command respect, but he does not have the same goodwill among his Cabinet colleagues as Sir Geoffrey Howe did as Chancellor. In the City, one hears some criticism of erratic judgement.

But it is his presentation of policy that is his principal weakness.

He spoke with authority when questioned in the Commons yesterday on Johnson Matthey Bankers. But he failed conspicuously on a number of occasions in Parliament and outside to offer persuasive explanations of the government's economic policy. He has managed to make it sound more insensitive than it really is.

This presents the Prime Minister with a dilemma. Can she afford to go into the General Election with a Chancellor so deficient in the political arts? Yet could she make a change without being accused of shooting the messenger for carrying her message?

One possibility that is mentioned would be for Mrs Thatcher to swap Chancellors, not in this year's reshuffle, but in the autumn of 1986. It might then be appropriate to a natural change after a year in the hot seat of the office for more than three years.

But I find it very hard to believe that it would be seen like that. There would appear to be an air of desperation in changing Chancellors possibly as near as a year before a General Election. It is this year's decision that will be critical.

Minister is hopeful on cereals deal

Mr Michael Jopling, Minister for Agriculture, Fisheries and Food, said during Commons questions that he was hopeful of reaching an agreement on cereal prices before August 1.

He was replying to questions on the European Commission agreeing on cuts in cereal prices for this year's harvest despite a West German veto on price cuts last week.

Mr Jopling said: "I am confident that we will reach an agreement on cereal prices before August 1. The Commission is offering a 10 per cent cut in cereal prices for this year's harvest. This is a significant concession. We are currently negotiating with the Commission on the details of the agreement. We are confident that we will reach an agreement before August 1. The Commission is offering a 10 per cent cut in cereal prices for this year's harvest. This is a significant concession. We are currently negotiating with the Commission on the details of the agreement. We are confident that we will reach an agreement before August 1. The Commission is offering a 10 per cent cut in cereal prices for this year's harvest. This is a significant concession. We are currently negotiating with the Commission on the details of the agreement. We are confident that we will reach an agreement before August 1. The Commission is offering a 10 per cent cut in cereal prices for this year's harvest. 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MERSEYSIDE

HELP—DON'T HINDER!



This illustration shows just a few examples of the successes and progress achieved by Merseyside County Council including the visit of the Cutty Sark 'Tall Ships' Races and the redevelopment of Liverpool Airport.

Further acknowledgements to: Merseyside Enterprise Board, Beale City, Aintree Racecourse, AMP Marine, 'Brookside' and Wertworth Furniture.

With a quarter of Merseysiders totally dependent on State Benefits, and employment, the lifeblood of the region, still draining away, Merseyside has enormous social and economic problems.

Over recent years Merseyside County Council has tried to tackle these problems. Although at times it seemed like King Canute's trying to stem the tide, there have been successes and progress.

Merseyside County Council's Economic Development Office, MERCEDO, is dealing continually with requests for advice, information and financial aid needed to set up new companies. The Council's schemes of financial assistance, since they were first introduced, have helped to create or have saved more than 10,000 jobs.

In less than 2 years, Merseyside County Council's Enterprise Board has helped retain or create over 700 jobs, and secured a further £1 million in Government and private sector support. And many previously unemployed Merseysiders are now in permanent full-time jobs as a direct result of their training courses which are specifically geared to the needs of modern industry and commerce.

By aiding and encouraging the growth of new business in Merseyside and the development of existing companies, Merseyside County Council are constantly trying to create new jobs for the unemployed and new opportunities for our young people.

BUT IT'S NOT ONLY EMPLOYMENT

Merseyside County Council are helping Liverpool Airport take off in Europe and were involved in the negotiations which have helped to ensure the future of racing at Aintree. Over 3 years they secured investment of more than £300,000 for landscaping and improvements in and around the course and for sponsorship of events. All these are aimed at bringing back jobs to Merseyside by recognising its assets!

Merseyside County Council have been responsible for many other important tourism initiatives which have helped boost the region's

employment and economy.

Without the County Council, the Merseyside Maritime Museum and the spectacular Cutty Sark 'Tall Ships' Races in 1984 — an event which attracted over 1 million people — might never have been launched (nor would the Adelphi Hotel have been restored).

Merseyside County Council has shown that it has the ability to be innovative and entrepreneurial and to work closely with a variety of parties in the interests of our region.

Few in Merseyside believe that the District Councils would collaborate to provide one organisation which would make sense for the entire area.

WHAT DO MERSEYSIDERS THINK?

A recent MORI Survey showed that 91% agreed that spending money to create or maintain jobs on Merseyside was a vital service.

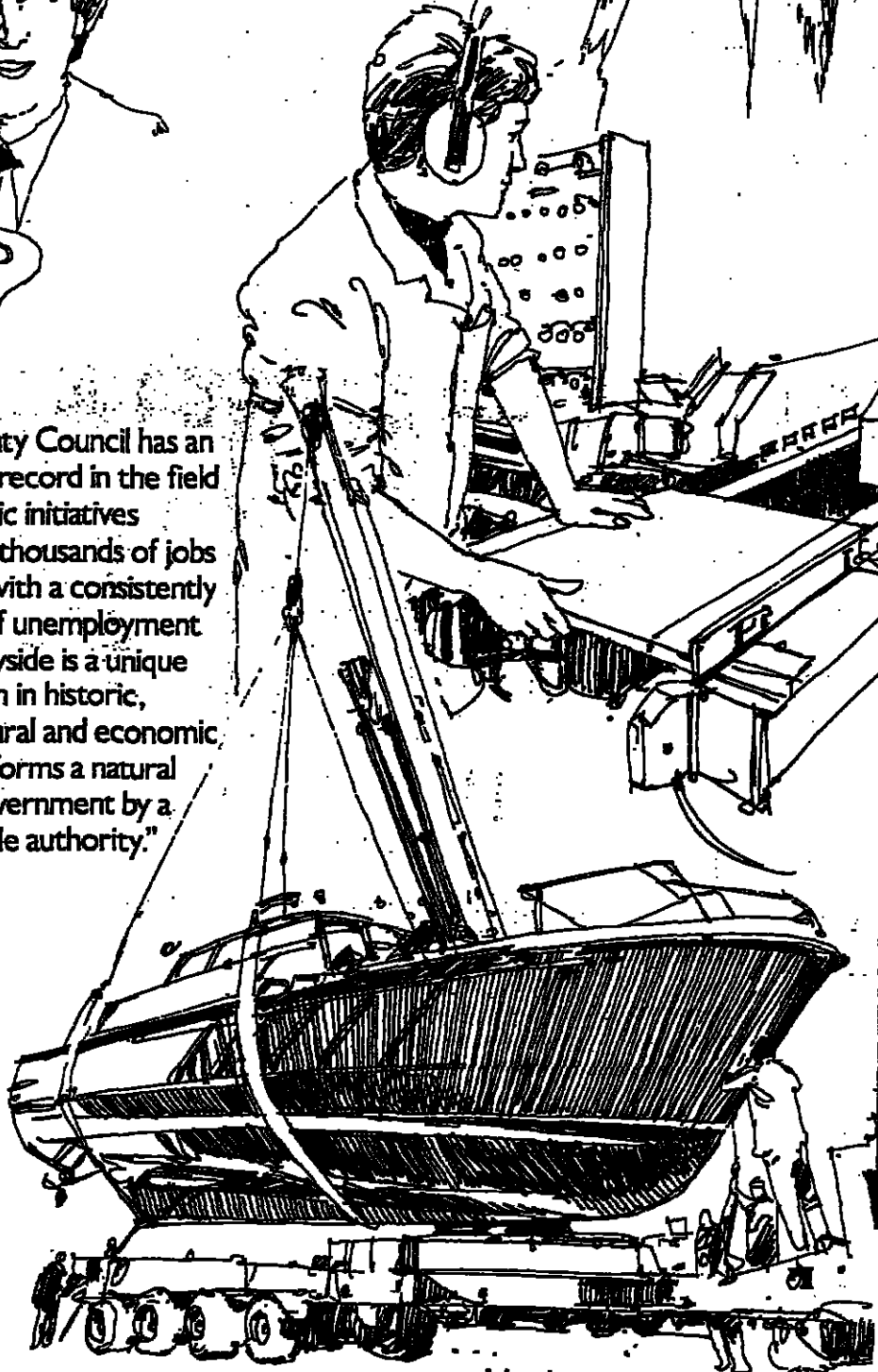


The Merseyside Enterprise Forum is in absolute agreement.

The Forum is a broadly-based, independent voluntary body which brings together senior representatives from industry and commerce, national bodies and government agencies, trade unions, local government and leaders of the community. It is a non-political organisation and one which is believed to be unique in this country.

It said:

"The County Council has an impressive record in the field of economic initiatives generating thousands of jobs in an area with a consistently high level of unemployment . . . Merseyside is a unique conurbation in historic, social, cultural and economic terms and forms a natural area for government by a County-wide authority."



THE LIVERPOOL ECHO SUMMED UP THE FEELING OF MANY IN A RECENT EDITORIAL COMMENT:

"If any thought was devoted to what would replace the Councils, the result reflects no credit on those who designed the proposals . . . The Government should decide now on its action — and that is to withdraw the Bill. It is ill-conceived

as Parliament has been demonstrating. Even more important, it is totally out of tune with public feeling."

SOURCE: Liverpool Echo Tuesday 11th June, 1985.

BUT THE GOVERNMENT IS APPARENTLY TAKING NO NOTICE

"Nothing that has been said alters our conviction that the GLC and the Metropolitan Counties . . ." (including Merseyside County Council) . . . are an unnecessary tier of Government. They have little to do and much of what they do involves interference with or duplication of the activities of the really local authorities — the boroughs and districts."

Not a shred of evidence has been produced to justify this claim.

MERSEYSIDE COUNTY COUNCIL PROVIDES OR SUPPORTS THE FOLLOWING IMPORTANT SERVICES:

- Buses ■ Merseyrail
- Ferries ■ Police
- Fire Service
- Consumer Protection
- Tourism Development
- Empire Theatre
- Philharmonic
- Art Galleries ■ Museums
- Croxteth and Speke Halls
- Liverpool Airport
- Probation Service
- Planning
- Roads & Bridges
- Protecting the Environment
- Waste Disposal
- Economic Development.

Merseysiders know that the very last thing which Merseyside needs now is fragmentation, disunity or wasteful competition between members of the same community.

The Government's proposals bring with them unacceptable fragmentation, a very high degree of centralisation from Whitehall and unnecessary duplication.

We believe, that before steps are taken to sweep away local democracy and with it years of progress in tackling Merseyside's special problems, there should be, even at this stage, a full, fair and independent inquiry into what is proposed and the effect those proposals will have on Merseyside.

IS THAT TOO MUCH TO ASK?

Merseyside County Council
THE VOICE OF REASON FOR MERSEYSIDE

This advertisement is published by Merseyside Economic Development Company Ltd.

Norwegian spied for KGB and Iraq for 10 years

Ex-Diplomat goes to jail for 20 years and loses the £60,000 he was paid

From Knut Falchenberg, Oslo

The former Norwegian diplomat and deputy minister, Mr Arne Treholt, was found guilty yesterday of espionage on behalf of the KGB and the Iraq intelligence service over a period of almost ten years. He was given the maximum sentence of 20 years imprisonment. In addition, the three professional and four lay judges ordered that \$52,000 (£39,000) be confiscated from a Swiss bank account, along with a further \$60,000 which the court decided he had been paid by his sponsors. He also has to pay \$10,000 court costs.

His leading officers in Oslo, New York, Helsinki, Vienna, Paris and Athens. In assessing the damage, the court found it most serious that Mr Treholt had given Soviet and Iraqi agents access to Norwegian defence plans for the northern flank of Nato from information he had received while a civilian student at a military academy in Norway from 1983 to 1984. At that time he was already under investigation by Norwegian intelligence, but was admitted to the academy by special order from the Minister of Defence. It was believed an admission refusal would have aroused his suspicion, thus impeding the investigation. Mr Treholt's rapid rise in Norwegian politics is explained by his close co-operation with a former Minister of Trade, and later Minister for the Law of the Seas, Mr Jens Evensen. As a left-wing activist in the Labour Party, Mr Treholt rose through government posts in the 1970s, holding such positions as personal secretary to the Minister of Trade in 1973, a similar position at the Ministry of Law of the Seas the following year and, from 1976 to 1978, he held the rank of deputy minister giving him

access to Cabinet documents. The court said in the 255 pages of judgement, that Mr Treholt had loyally followed instructions given to him by various KGB contacts. The meetings between Soviet diplomats and the then-young Labour Party activist, had started in all innocence in 1971. Gradually, the restaurant invitations took a conspiratory form. What began as small favours to the Russians, such as buying and then distributing a book from his local bookshop, ended as a conspiracy in which Mr Treholt furnished his Soviet contacts with documents either hidden in newspapers or discreetly handed over during lunches. Mr Treholt himself, has claimed that he acted only as an unorthodox diplomat, trying to enhance the contact between east and west in an unusual manner. He was acquitted on only one of the charges - this related to an alleged attempt to help Iraq intelligence recruit other Norwegian agents. His activities on behalf of the Soviet KGB and Iraq, are considered to have been quite separate engagements. Only sections of the court's judgement were read in open session



Arne Treholt: Close to tears as he hears the verdict

Secrets that were lost

Information Mr Treholt was accused of passing to KGB and, in some cases, Iraqi intelligence agents, includes the following (AP reports):

- 1976 to 1978: Contents of Foreign Ministry notes on American proposals for production of "certain types of weapons" unless the Soviet Union did not deploy other types of weapons, not specified in the incident.
- 1974: Norwegian Defence Ministry information on Nato mobile forces and their deployment.
- 1976: Defence Ministry information on the strategic importance of Iceland and its security policies.
- 1976 to 1978: Contents of Foreign Ministry notes on American proposals for production of "certain types of weapons" unless the Soviet Union did not deploy other types of weapons, not specified in the incident.
- 1983: Defence College information about northern garrisons, attack goals, lines of advance and deployment of support weapons.

Communist pickets clash with police in Spanish strike

From Richard Wigg, Madrid

Spain's Communist-led trade unions successfully staged yesterday the first general strike to be held since the beginning of democracy in 1977. The 24-hour stoppage, which disrupted public transport, industry and the press, was particularly effective in Madrid's industrial belt, Barcelona, the Asturias mining region, Galicia and the Basque country. The strike against the Socialist Government was marred by violence from well-organized Communist pickets, who clashed with the police in several places. The Interior Ministry said there had been more than 100 arrests throughout the country, including several provincial Communist union leaders. With the pro-Socialist trade unions boycotting the strike call, the turnout neatly underlined the Communist mobilizing power over working classes now disillusioned with the Government's economic policy. Señor Felipe González, the Prime Minister, was visiting The Netherlands yesterday to try to ensure that the Dutch Parliament ratifies in time Spain's EEC entry, scheduled for next January. The strike was directed principally against Señor Joaquín Almunia, the Labour and Social Affairs Minister, for his Bill to reform the state social security and pensions system. On television he said, how-

ever, that yesterday's protests would have no effect on the Government and that the reform would be on the statute book by the end of next month. British holidaymakers on the Costa del Sol were among those hit by the strike and Iberia, the state airline, had to cancel 46 flights. Others were delayed. A Torreminas holiday proprietor said his guests made their own beds yesterday and got themselves sandwiches from the cold meats provided. Many food shops were also shut. But elsewhere on Spain's Mediterranean coast the strike failed. In Benidorm a hotel proprietor told how a 20-man picket, which had come to prevent his staff starting their day, was quickly dispersed by the police. Under orders of the Alicante Civil Governor, he said, police patrolled the streets all morning to ensure normal services. In Madrid one national policeman was arrested for firing into the air after being involved in a dispute outside a suburban Communist union headquarters. Municipal buses were a particular target of pickets, who stoned and injured eight bus drivers, and there were few early-morning trains in big cities, despite government-decreed minimum services. Two of Spain's best known dailies, *El País* and *ABC*, failed to appear after employees voted to strike.

Shuttle will try again to carry out laser test

From Mohsin Ali Washington

The shuttle Discovery yesterday prepared to study the theory of black holes in space, after the embarrassing bungle of its first Stars Wars laser experiment. Wednesday's laser test failed because Discovery was 180 degrees out of position to receive the Air Force laser signal beamed at it from the Hawaiian island of Maui. Officials at the National Aeronautics and Space Administration said another attempt would be made tomorrow. A harmless, low-powered green laser beam was fired from an Air Force station on Maui. The beam struck the shuttle but on the opposite side from the 8in mirror mounted in a hatch window, which was meant to reflect the beam back to Hawaii for analysis. Officials conceded that it was possibly one of the worst navigating mistakes in more than 20 years of American manned space flight. They blamed a "ground-based accounting error". The shuttle's computer was given the altitude in feet instead of nautical miles, so that Discovery was positioned tail forward instead of nose forward. The experiment is to discover whether laser weapons would bounce their beams off bigger orbiting mirrors to strike and destroy hostile satellites.

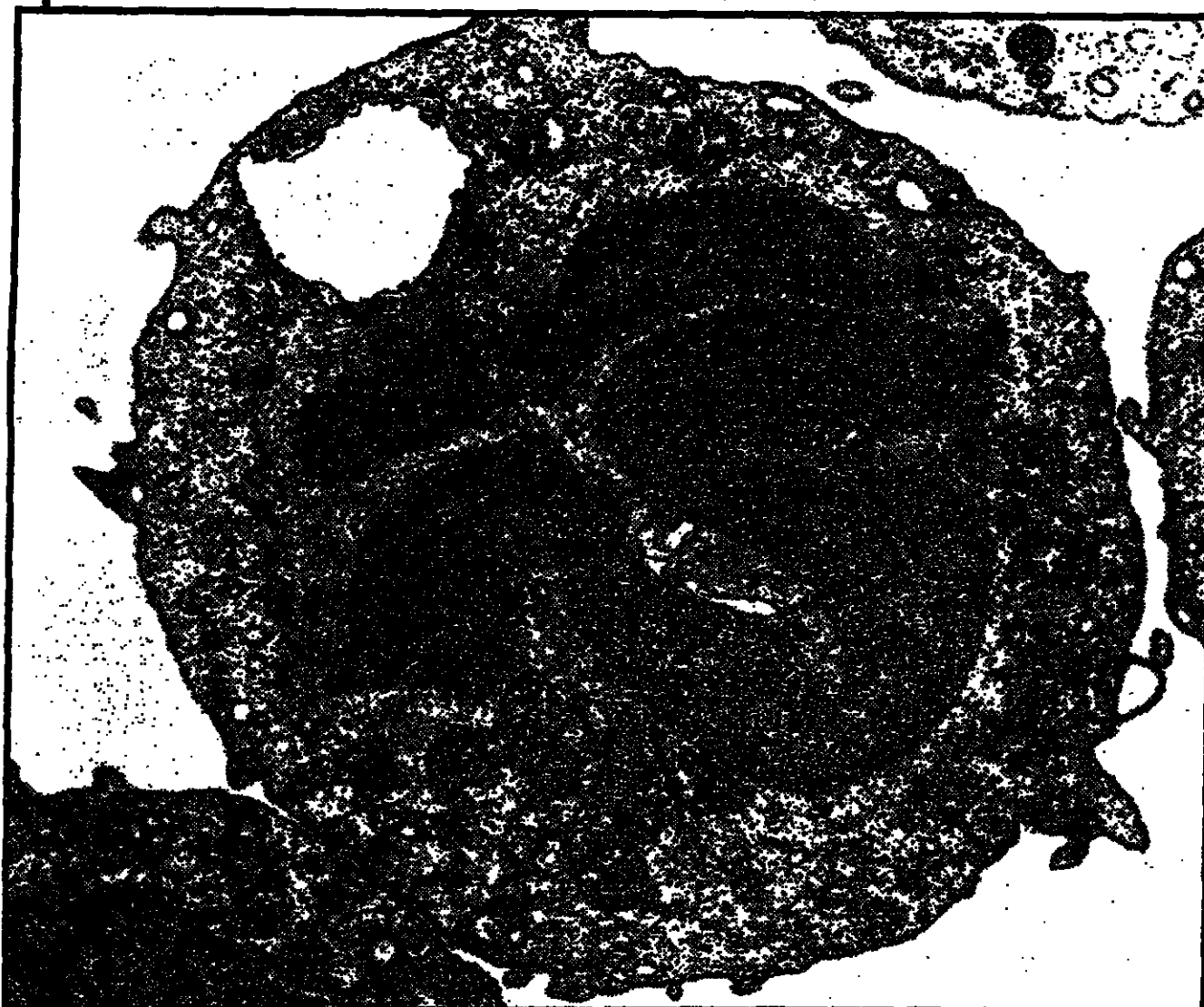
Sanctions warning for South Africa

From Zoriana Pysariwsky, New York

The UN Security Council has warned South Africa that it faces mandatory sanctions if it continues to obstruct a settlement leading to independence for Namibia. It has asked countries to consider immediate voluntary measures to provide Pretoria with a taste of things to come. In doing so the council has seized on a theme of growing popularity that forced Britain and the US to abstain on a resolution that the Reagan Administration, in particular, would have blocked in the past. Yet, although the council action reflected the mainstream of international opinion, it enjoyed little support from the most unlikely of quarters. For African countries overwhelmed by drought and famine, and especially the frontline states, whose economies are tied inextricably to South Africa's sanctions have become anathema. They fear that an economic embargo, before having any tangible effect on South Africa, would strike hard at their own weaker economies. Speaker after African speaker inveighed against South Africa. But for months the African group at the UN has failed to respond in any practical way to the confrontation between Pre-

toria and opponents of apartheid. The irony is that for years African nations, heavily with celebrations marking the end of colonialism and still far removed from the present economic disasters, could find little real interest in the West for comprehensive sanctions to force Pretoria to scrap apartheid. Now that economic reality has set in, the front-line states would like the sanctions issue defused until they can attain a measure of economic independence from South Africa. They fear the sanctions campaign could reach a point of no return, forcing them to support something they believe is against their own interests. ● JOHANNESBURG: A bomb exploded outside a beachfront restaurant in Durban on Wednesday, and in Cape Town a black man threw a grenade at policemen who tried to question him. Two whites were injured in the restaurant bombing. A witness said he saw a white man place a bomb in a dustbin outside the building. The banned African National Congress claimed responsibility for the grenade incident, in which three policemen were injured.

The condemned cell?



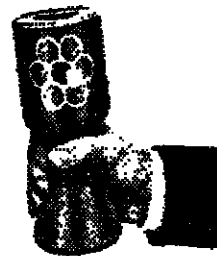
And today modern technology is enabling us to identify and understand more and more of these factors that cause cancer. (A cell like this, for example, can now be studied in minute detail, even though it measures only 1/10,000 of an inch across.) Learning more helps us detect cancer earlier. And the earlier we can detect it, the more effectively we can treat it. Already, for example, an effective programme of smear tests could make a once deadly cancer almost totally preventable. Other research has given doctors over thirty effective anti-cancer drugs, and has made surgery and radio-therapy increasingly successful. In many cancers, in fact, the survival rate has improved dramatically. So it is no idle boast to say that thanks to cancer research, many cancer cells are now already condemned.

Is cancer still the death sentence people think? Or are we finally learning how to destroy cancer itself? The human cell above is out of control. Instead of reproducing in a normal orderly manner this one is multiplying relentlessly. Gradually the extra cells being produced will form a tumour. And eventually some will split off, spreading to other parts of the body and creating secondary cancers which will damage or destroy vital organs. This is cancer. And not too long ago it was little short of a death sentence in all but a few cases. Today, however, things are beginning to change. In some cases, for example, delinquent cells like the one above can be detected early on in their career. And eradicated before they're able to form a tumour. In others the relentless growth and dangerous spread of

the disease can be controlled and sometimes stopped altogether. Because of this, over 60,000 cancer sufferers now recover each year, and return to a normal, healthy life. Sadly, though, many thousands are less fortunate. And it is to help them that we need your money for more research. How is research helping to find an answer? Thanks to research we already know a great deal about cancer. We know, for example, that eight out of ten cancers are caused by our lifestyle and environment through things like cigarettes, asbestos, radiation and certain chemicals. We also know that viruses, certain genes and our diet can play a part.

How can you help? We are Britain's largest cancer research charity, and over one third of all cancer research in this country is supported by us. But to continue our present work and start urgent new work takes a vast amount of money. So your support is vital. You can help with a deed of covenant, a legacy or a donation, by writing to us at Dept T121/6 2 Carlton House Terrace, London SW1Y 5AR. Or by getting in touch with your local Cancer Research Campaign committee through the telephone directory. Sooner or later, we'll condemn cancer once and for all. You can make it sooner.

Cancer Research Campaign There's still a long way to go, but together we can beat cancer.



Merseyrail Police Vice Protection Development Theatre Music Series Museums and Speke Halls Airport Service Bridges the gap... Development... Merseyside needs... Whitehall and... Merseyside Council

Cocaine lab found in Miami flat

Miami Beach, Florida (AP) - A building inspector discovered a cocaine laboratory in a nine-story apartment house on Wednesday, and about 1,000 people were temporarily evacuated because the lab contained volatile chemicals. Police later safely detonated 100 gallons of the chemicals - alcohol, acetone and ether - on a beach five blocks away. Three men were arrested and 90 pounds of cocaine were found in a van and an apartment, a Miami Beach Police spokesman said. Also found in the apartment were scales, cheesecloth and measuring instruments. The unidentified building inspector was on a routine check when he smelled strong ether fumes on the eighth floor. The inspector then helped police apprehend three men who fled in a van, but were later arrested after they became involved in a traffic accident. "It's extremely volatile material... if this were to ignite, it would have a more devastating effect than a car bomb in Beirut," Detective Tom Hoolahan said. "They ran around hanging on everybody's door as hard as they could, getting everybody out," said Paul Dummore, aged 19, who lives a block behind the cocaine lab.

Five bombs explode in Kathmandu

Kathmandu (AP, Reuter) - A Member of the Nepalese Parliament was killed and 19 people were injured yesterday when five bombs exploded in the capital. They shattered glass areas at the royal palace, Parliament House and an adjacent hotel lobby, police said. The explosions came within a few minutes of each other. Three other legislators were injured, a police inspector said. Another 16 people were taken to hospital with injuries suffered in the explosion at the lobby of the Annapurna hotel, partly owned by the royal palace. The explosions came one day after King Birendra, addressing the National Assembly, said his people were determined to discourage any "attempt to undermine peace and order" in Nepal. In a warning to political opponents demanding a revival of Western-style democracy, the King said it was "the burden duty" of all supporters, "to counter those who seek to create an atmosphere of instability in the country by spreading unnecessary confusion about the system chosen by the people themselves in free exercise of their will."

California convict tells of prison battleground

From Ivor Davis, Los Angeles "Warlike" conditions exist in California's notorious Folsom prison, so much so that there have been 120 stabbings in the castle-like maximum-security jail this year, state legislators heard. Inmates of the overcrowded prison testified at a hearing at Folsom on Wednesday as lawmakers began investigating escalating violence at the 105-year-old building. The past three years have been "insanity here," Robert Darcy, who is serving a

Nato promised role in US decision to build chemical weapons

From Nicholas Ashford, Washington

Britain and other European members of Nato will play a decisive role in determining whether the Reagan Administration will be able to resume production of chemical weapons after a break of 16 years.

The House of Representatives, which has rejected Administration requests for funds to resume production through-out President Reagan's first term, voted 229 to 196 on Wednesday in favour of building new weapons using a binary nerve-gas system.

These weapons contain two relatively harmless substances which become toxic only when mixed. However, the Democrat-controlled House attached a number of conditions to the legislation authorizing resumption of production. One bars the release of funds until Nato has agreed formally that its chemical weapons stocks need modernizing and that binary weapons could be stored within the territory of European members of the alliance.

Nato has not supported renewed production of chemical weapons in the past and Mr Les Aspin (Democrat, Wisconsin), Chairman of the House armed services committee said this could cause considerable problems for the Administration.

However, it is possible the Nato condition could be modified, or even dropped altogether, when the legislation goes before

a Senate-House conference committee later this summer.

The Administration had to make several other concessions before the House was prepared to approve resumption of chemical weapons production. It stipulated that the money to produce the weapon cannot be spent until the end of 1987, at which point the President would have to certify that it was needed. In addition, the two chemicals eventually combined in the weapon must be stored in separate states.

The House vote, which came after heavy lobbying by the White House, is a big victory for President Reagan. The Senate approved renewed production at the end of last month.

Chemical weapons are the only big part of the President's defence modernization programme which Congress has consistently voted against.

LONDON: Chemicals used in weapons fall into four broad groups: those which act on the nervous system or the blood, and those which cause choking or blistering (Rodney Cowton writes).

There is potentially a large range of materials which can be used. Among the better-known chemical agents which can be used in weapons are: Phosgene: a choking agent which floods the lungs;

Hydrogen cyanide: interferes with the use of oxygen by the body;

Sulphur mustard: a blister agent which destroys tissues;

Tabun, Sarin, Soman, VX: Highly lethal agents which act on the nervous system, causing paralysis.

BONN: West German MPs, reacting to the House of Representatives decision, called on Bonn to refuse to store any more US-made chemical weapons (AP reports).

Chancellor Kohl should "declare that there is no question of storage (of chemical weapons) on German soil", said Herr Olaf Feldmann, a member of the Free Democrats, the partners in the coalition government.

On Wednesday, the opposition Social Democrats had joined East German officials in calling for a chemical weapons-free zone in central Europe as a first step to a world ban.

GENEVA: Mr Viktor Isaralyan, a top Soviet disarmament official, said the US decision was a "new, dangerous step".

"This decision dealt a new blow which could cause irreparable damage" to international efforts to negotiate a treaty banning chemical weapons. He is chief Soviet delegate to a Geneva disarmament conference.



Australians Steven and Belinda Guerrero, aged five and three, had less than 15 minutes to live when they and their Portuguese mother (in the spotted dress) were snapped by an amateur photographer in Frankfurt airport. Shortly afterwards a bomb exploded, killing them and badly injuring their mother.

Photo could hold clue to bomber's identity

From Our Correspondent Bonn

West German television viewers last night saw a photograph, taken about half an hour before the explosion, of almost the exact spot in the Frankfurt airport international departure hall where the bomb was placed on Wednesday.

Police spokesman said that some of the people in the picture may be among the victims, since not all had been identified.

The photograph was from a roll of film taken by a German from Kassel who was trying out his camera. It will appear in West German newspapers today over an appeal for people in the photograph to come forward and say what they can remember seeing when it was taken.

Police think it unlikely that the picture actually shows the terrorist, although half an hour would have been time enough for someone to plant a bomb and walk away.

A Portuguese traveller said yesterday that, just after the blast, he saw a man get into a blue Mercedes near the departure hall and drive off at high speed, leaving skid marks which police experts examined.

The possibly-vital photograph shows about 10 recognizable people. Originally it was thought that the bomb went off in a litter bin, but police now say it was in a container on the floor.

The three people killed were a boy, aged 5, and a girl, aged 3, both Australian citizens of Portuguese origin, and a Portuguese man.

Rival says Mugabe ordered her death

Harare (AP) - A veteran Zimbabwe Opposition leader, Mrs Ruth Chinamano, yesterday accused the Prime Minister, Mr Robert Mugabe, of ordering her assassination after she was attacked in a barrage of stones that left three supporters injured.

Mrs Chinamano, aged 60, was attacked at a meeting in the Harare suburb of Highfields in the run-up to Zimbabwe's first post-independence elections scheduled for July 1-2.

Contesting the constituency against Mr Mugabe, she said. The candidate I am standing against... has instructed people to bring him Ruth Chinamano's head."

Diaries trial verdict soon

Hamburg - A lawyer for Herr Gerd Heidemann, the former *Stern* magazine reporter accused of fraud in the Hitler Diaries trial, yesterday closed his case by saying that it had proved that his client knew the diaries were forged (Frank Johnson writes).

Herr Heidemann and Herr Konrad Kujau, a dealer in Nazi memorabilia, are accused of fraudulently obtaining money for the diaries. The verdict is expected on July 8.

Surgeon charged

Washington (Reuter) - Commander Donald Billig, aged 54, former chief heart surgeon at the Bethesda Naval Hospital, has been charged with involuntary manslaughter in the deaths of four patients and 22 charges of dereliction of duty. The hospital treats President Reagan and top officials.

Nato promotion

Brussels (AP) - US Lieutenant-General Thomas Healy, aged 53, has been named Chief of Staff at Nato's command centre for Southern Europe, in charge of Italy, Greece, Turkey, the Black Sea and the Mediterranean, largest of Nato's four military regions.

Witness dies

Nairobi (AFP) - Mr Ayres Lourenco Ribeiro, a Kenyan police pathologist and a key witness in the trial over the murder of Mr Horace Oviil, an MP backed to death on May 27, died in an air crash yesterday. He is the second key witness to die suddenly.

Uganda walkout

Kampala (AP) - Twenty-seven members of the Opposition walked out of Parliament as President Obote began his budget speech, in protest at the deaths of "hundreds of thousands" of Ugandans since he took power in 1980.

Journalists free

Colombo - Simon Winchester, a *Sunday Times* journalist, and photographer Peter Dunne, who were detained by the Sri Lanka Army at Mullur, near Trincomalee, on Tuesday, have been freed. Their passports have been seized by the police.

Peace man dies

Bangkok (Reuter) - Mr Xuan Thu, former North Vietnamese foreign minister who led the delegation which ended the Vietnam war, has died. He was 73.

Pirate gold

Bangkok (AP) - The UN refugee agency has given Thailand \$1.65 million to continue a programme to suppress piracy against Vietnamese refugees in the Gulf of Thailand.

Killer floods

Delhi (AFP) - Rain and floods have killed more than 30 people in two states on opposite sides of India - Maharashtra and Assam - since Sunday and made at least 60,000 homeless.

'Times' ban

Valletta - The *Times* is the only foreign newspaper banned from sale in Malta, the Foreign Minister, Dr Alex Sciberras Trigoana, told Parliament.

Chinese get briefing on Star Wars

Peking (Reuter) - A US Star Wars team briefed Chinese officials yesterday about President Reagan's space-based defence programme and said they had passed on information about Soviet weapons research.

The six-member US delegation, headed by Mr Robert Lihart, a senior arms control specialist, met for about four hours with about 50 Chinese officials, specialists and military analysts.

American officials said the meeting was part of a series of briefings for allies, friends and some other countries, including the Soviet Union, about the President's Strategic Defence Initiative (SDI).

"We want to ensure there are no surprises for friends, interested parties or the Soviets," one official said. He said that the US team outlined the objectives of the planned \$26 billion (£20 billion) SDI, dubbed by the media the Star Wars programme, emphasizing that it was solely a research programme.

Bonn keeps cool on Pershing verdict

From Frank Johnson, Bonn

The West German Government and Nato seemed to be staying reasonably calm yesterday in the face of a ruling on Wednesday, by a Frankfurt court which tries minor cases, that Pershing 2 missiles were stationed here illegally.

On the basis of this novel interpretation of the Federal Republic's constitution, six "peace campaigners" who took part in a sit-in at a US Army supply depot near Frankfurt were acquitted of charges of obstruction and trespass.

The verdict raised the spirits of the "peace movement", whose morale has been low since it failed to prevent cruise and Pershing missiles being stationed here last year. It also gave right-wing opinion an opportunity to indulge in outrage. Herr Axel Springer's newspapers thought it "a scandal".

The Government, and the US Air Force Command here, did not seem to be frightened that the missiles might soon have to be sent packing.

This relaxed approach was the result of the court's relatively humble status in the country's impeccably balanced legal system. It is unlikely that higher courts, judging more serious offences connected with opposition to cruise and Pershing, would come to the same conclusion as the Frankfurt justices.

In any case, the highest court in the country - the Constitutional Court at Karlsruhe - has already ruled that the presence of the missiles on German soil is legal.

The Frankfurt court decided that the stationing was contrary to clauses in the constitution of 1949 which call for efforts to be made towards the reunification of Germany. West Germany, and Nato, would argue that any war launched from German soil would not be aggression, but a response to aggression.

None the less, the Frankfurt ruling will be studied by West Germany's friends, and enemies, to see whether it offers any proof of that incipient neutralism which many observers are continually discerning.

Ramadan car blast kills 60

Tripoli (AP) - Rescue teams yesterday clawed through the wreckage of a seaside sweet shop devastated by a car bomb that killed at least 60 men, women and children as they celebrated the end of Islam's fasting month of Ramadan.

Police said only 29 of the bodies recovered, many of them badly mutilated and burned, had been identified following the bombing on Wednesday night in Lebanon's second city, 40 miles north of Beirut.

The death toll could go higher as searchers seek bodies of victims hurled into the Mediterranean by the blast.

Mr Abdul Khader, director of Tripoli's Islamic Hospital, biggest of the city's five medical centres, said: "We have received at least 48 corpses and more than 60 wounded here alone." Many of the casualties were women and children.

Stamping, chanting defiance to a world that picks on US

The mood of America

From Michael Binyon, Indianapolis

The build-up was eerie and uncomfortably reminiscent of another era in another country. They waited impatiently, row on row of big, beer-bellied men, red tee-shirts proclaiming their state allegiance or such philosophies as "I'm a ball-fighter", gripping American flags as patriotic weapons and punching the air in chorus with booming staccato slogans.

Then the stamping started, rhythmic, prolonged, amplified by whistles and clapping that echoed round a cavernous convention centre built to encourage orchestrated adulation.

"What is about to happen is something you will tell your grandchildren about in years to come," announced the chairman of the Jay Cees - America's small business federation. "I give you a man who has pulled this country from the gloom and doom of the seventies into the sunshine of the eighties. If you believe in America, if you believe in leadership, then you've got to believe in Ronald Reagan."

And there he was, the familiar jaunty wave, the smile that is warmed by acclaim, as he came on stage flanked by the ever-present bodyguards. "Hail to the chief", was drowned by the raucous cacophony of applause.

With a single gesture there was silence. "Thank you," the President said. "Thank you." And then he started with a disarming one-liner that is the hallmark of a man who knows by training and instinct how to work an audience. "Feeling your enthusiasm shake this hall, I could only think: 'I've found it; I'm in a Hoosier heaven.' The flattery of the nickname for Indiana citizens brought more stamping.

He had, of course, come to Indianapolis to talk about tax reform, another stop on his crusade to whip up enthusiasm for "the biggest job creation Bill in history."

But, as he knew, that was not the issue on everyone's mind. "Let me say," he began, grave, sombre, deliberate. "Let me say, we must not yield to the terrorist demands that invite more terrorism. We cannot reward their grisly deeds. We will not cave in."

"USA, USA, USA, USA,"

Sky marshals reinforced

By Our Foreign Staff

As airlines search for new measures to combat air piracy, President Reagan ordered yesterday an immediate increase in the numbers of sky marshals who fly on American aircraft to prevent hijacking.

International attention is being focused on the rigid procedures pioneered by El-Al, Israel's national carrier - widely acknowledged as being, with good reason, the world's most security-conscious airline.

Although the Israeli concern has regularly employed at least two armed sky marshals on its international flights for many years, this is not regarded by aviation experts as being the main reason for its enviable record in the security field.

President Reagan's announcement of more marshals has attracted criticism from American international airline organizations.

Israeli sources attribute the greatest part of El-Al's success to its policy of deterrence, which is enforced by the world's strictest searching procedure of passengers and luggage. This is backed by an effective isolation of both once the searching is complete and the delegation of the often intimidating search procedures to experts.

The thoroughness of the searches and the pre-flight questioning on El-Al - which are carried out by the airline's own specially trained personnel - have provoked criticism from some passengers and ground staff at overseas airports like Heathrow where the queues often disrupt other airlines.

But most Israeli passengers claim to prefer what one described to me recently as "a single minded effort to put safety before everything, including comfort."

The search procedures are the most exhaustive at Tel Aviv airport, where passengers have to answer a long list of personal questions - often hostilely phrased - about their recent movements, acquaintances and travel plans.

It is commonplace to see certain types of passenger - especially young Europeans and Arabs - being questioned for 30 minutes or more before being allowed through.

One reason why the experts play down the relative effectiveness of the sky marshals is the acknowledged danger of firing guns inside pressurized aircraft cabins. It is known that the El Al security guards are equipped with other forms of less conventional weaponry as well, although details are not available.

As long ago as 1972, Mr James Lederer, then chief of Washington's Federal Aviation Agency rated the significance of the marshals as much less than that of the searching procedures.

In the United States yesterday, Mr Richard Lally, the security chief for the association representing US airlines, reacting to Mr Reagan's statement, called any crash programme a gigantic step backwards. "It is not the answer to the problem. It provides for a very dangerous situation. We do not want a shoot-out at 40,000 feet," he said.

Federal armed marshals already travel on special high risk flights but Mr Reagan would like to see American airlines following the example of such companies as South African, Jordanian and Israeli airlines which have armed guards on each flight and insist on extensive security checks before boarding.

15 die as gunmen rake Salvador café

From John Carlin, Mexico

Fifteen people were killed, four of them US Marines, when gunmen opened fire on a busy open-air café in a fashionable district of San Salvador.

No one has claimed responsibility for the attack on Tuesday night, described by military sources as the most spectacular in the capital since 1981. Government officials appeared to be in no doubt that it was work of left-wing guerrillas.

Two American civilians died in the attack, and four Guatemalans and five Salvadorans, the Government said. Twelve people were wounded.

According to witnesses, a pick-up truck pulled up outside a café frequented by US Marines in the wealthy nightclub district known as the Pink Zone. Between eight and 12 gunmen raked the café tables with automatic rifle fire.

The four Marines, guards at the US Embassy, had reportedly spotted the gunmen and started to get up before the shooting began.

The gunmen made their getaway before army helicopters arrived.

WASHINGTON: President Reagan consulted his national security advisers yesterday to consider steps that could be taken immediately in response to the shooting (Christopher Thomas writes). On top of the agenda was a proposal to provide technical assistance to law-enforcement agencies in El Salvador in tracking down the killers.

Mr Larry Speakes, the White House spokesman, said consideration was being given to providing additional intelligence capacity to El Salvador,

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India-Pakistan fighting on glacier Struggle for vital passes

From Michael Hamlyn, Delhi

Fighting has broken out again on the worst battlefield in the world, between three and four miles above the over-heated plains of India and Pakistan.

The battlefield is the Siachen glacier close to the junction with the Salto glacier in an area so bleak, so cold, so inhospitable that mountaineers call it "the third pole".

During the past week India and Pakistan troops have been skirmishing for control of the passes leading to the Siachen glacier, which both countries now see as the key to the northern areas of the disputed state of Kashmir.

Fighting also took place last month both on the glacier and above it, as Pakistani aircraft buzzed an Indian transport dropping supplies to troops on the glacier.

"It is a Godforsaken place", President Zia ul Haq of Pakistan told me last year. And certainly operating with troops at temperatures which can fall as low as minus 50 degrees in winter and even as low as minus 15 at this time of year is fraught with difficulties.

At these temperatures - enhanced by wind-chill factors as the gale-force blasts shriek around the mountain ridges - flesh sticks to exposed metal. The air is so thin that helicopters can scarcely beat their way upwards.

Carrying provisions by porter is virtually impossible since the porters would eat as much as they could carry.

In the ceasefire agreements ending the various wars between Pakistan and India over Kashmir the ceasefire line or line of control has been firmly demarcated as far as a point north of the Shyok river

known simply by its grid reference - NJ9842. From here on, the agreements say vaguely "the line continues northwards".

The terrain was so unpleasant beyond this point that no one much bothered to venture there, but the Indians were distressed to note that when various international atlases were produced, in particular *The Times Atlas* and *The Readers Digest World Atlas*, the line of control was shown as proceeding north-eastwards towards the Karakoram Pass.

In the mid-seventies that area of the former Kashmir state

known by Pakistan as Azad Kashmir (Free Kashmir) and on the Indian side as Pakistan-occupied Kashmir was opened up to mountaineers, and international teams were able to visit the bare mountain Nanga Parbat and K2, the world's second highest mountain. Some expeditions also began climbing the "new peaks" in the Teram Kangri and the Salto groups, moving in from the Pakistani side, though India regards these as on its side of the line.

India retaliated with a series of expeditions from the Indian High Altitude Warfare School whereupon Pakistan decided to

send a force of its elite Northern Light Infantry to occupy the glacier.

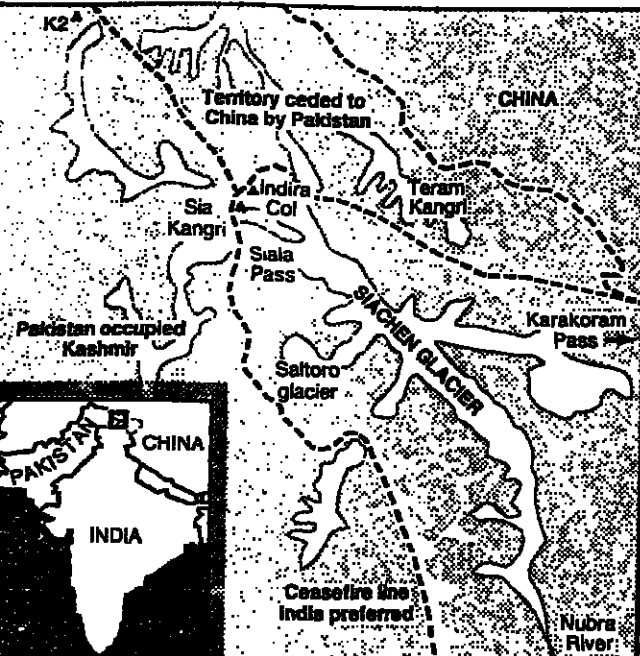
India's intelligence network got wind of these plans and preempted them by sending a force of its own there, so that when in April 1984, the Pakistanis began to move in they found the heights already occupied. A major thrust through the Siala and Blafond passes by the Pakistanis took place a year ago this week, close enough to the Indian Army action in the Golden Temple of Amritsar to make the Indians believe that there was some connection.

The thrust was thrown back, say the Indians, with some serious casualties on the Pakistani side, and one man was killed and one man wounded on the Indian side.

Since then the weather and the appalling conditions have taken a greater toll of the Indian force on the glacier. At least 27 have died in avalanches, according to the general commanding the northern district.

The battles seem likely to continue however so long as the weather makes it possible. The Pakistanis have some advantage in that they can make a shorter journey from their base camps by using the Siala and Blafond passes, whereas the Indians have to move virtually all the way from the Nubra river valley, nearly 50 miles from the towering Indra col and Sia Kangri at the head of the glacier.

A diplomatic solution to the problem is bound to be complicated by the fact that India has still not got over its anger that 1,760 square miles of this area was ceded to China by Pakistan in 1963.



The Siachen glacier where fighting has broken out again.



Ayatollah Khomeini, aged 86, waving to Iranian officials and foreign dignitaries at a ceremony in Tehran yesterday to mark the end of Ramadan. The Ayatollah is apparently in good health and still in charge of the revolution (writes Hazhir Teimourian). Speaking for just under half an hour, he accused the international media

of participation in a conspiracy with the superpowers not to report recent demonstrations in Iran in support of his Government, and he once again committed the state to continuing the 57-month Gulf war with Iraq until complete victory. He did not refer to the current hijack by Shias in Lebanon.

US asks Japan for missile help

From Davis Watts Tokyo

The United States has made its first official request to Japan for the transfer of military technology. Mr Takakazu Kuriyama, Director of the Foreign Ministry's North American Affairs Bureau, reported the request, under an agreement reached in 1983, to the Lower House foreign affairs committee.

He declined to go into specifics, but it is understood that the request is for state-of-the-art missile tracking and guidance technology. The request was made to the Government because the system was developed by the Defence Agency, a Government body.

The Japanese press says the system has been developed for portable surface-to-air missiles and is able to overcome obstacles by memorizing the image of the target.

Japan will now study the request but it is likely to be some time before it responds. The Government has to work out specific procedures for arms technology transfer, how costs will be shared, what to do when transfers involve private firms and how to ensure there is no leakage of know-how to third countries.

The United States has sent three delegations of defence experts in the last two years to examine advanced Japanese know-how with military applications.

The transfer request follows quickly on a visit to the United States by the Director-General of the Defence Agency, Mr Koichi Kato, and a Senate resolution accusing Japan of "failing to provide sufficient funding and resources to meet its basic self-defence needs".

A senior Foreign Ministry official said yesterday that any criticism of Japan's defence efforts could be counter-productive.

North and South Korea have agreed in principle to set up a joint committee for economic co-operation.

The proposal, put forward by the North, appeared to have been agreed over the North-South hot line in advance of yesterday's meeting as the Northern delegation was ready with a typed statement welcoming the South's concurrence when the two met in the border village of Panmunjom.

French voters show disillusion

From Diana Geddes, Paris

With the general election in France only nine months away, the gap between support for the right and for the left has widened to an unprecedented 24 points.

According to the authoritative Sofres poll, 60 per cent of those expressing an intention to vote in the election say they will give their support to the right-wing parties, while only 36 per cent intend to vote for the left.

Yet M Laurent Fabius, the Prime Minister, insisted once again in his monthly television chat show on Wednesday night that in his opinion the outcome was still open, and he may not simply be whistling in the wind. For what the polls have been showing over the past few months is not so much a clear swing from left to right, but rather a growing rejection of all party politics by an increasingly confused and disillusioned electorate.

In the Sofres poll, for example, as many as 50 per cent of those questioned either said they were still hesitating

between left and right, or declined to express any voting intention. Another poll published yesterday on what kind of policy voters would most like to see introduced showed 27 per cent opting for a liberal (which in France means right-wing) policy, 23 per cent for a socialist policy and 12 per cent for a social democratic policy, but as many as 38 per cent said they did not know which policy they would prefer. With that level of uncertainty, accurate prediction becomes impossible.

After enjoying a burst in popularity earlier this year, M Fabius has also been slipping in the polls over the past three months, though he still enjoys the "good opinions" of 49 per cent of the electorate.

Indeed, along with Mr Raymond Barre and M Michel Rocard, he remains one of the three most popular French politicians, despite the intense unpopularity of his Government; 66 per cent of those polled say they are dissatisfied with the way the country is being governed.

The French may think that President Mitterrand is leading them down the road to chaos and disaster, but not one of the opposition leaders is considered likely to be able to do much better. A poll published yesterday shows that 68 per cent expect M Valery Giscard d'Estaing would do the same or worse than M Mitterrand if he were President; 63 per cent feel the same about M Chirac; and even M Barre, the current darling of the right, only gets 37 per cent

Children killed in ritual sacrifice to goddess

From Our Own Correspondent, Delhi

Three young boys have become human sacrifices in a religious ceremony which illuminates a darker side to life in this crowded sub-continent. The boys died in a ritual aimed at appeasing the feral goddess of death and destruction sometimes known as Kali, sometimes Durga, and in this case Manjari.

According to the authorities in the former princely state of Ranpur, near Puri in the eastern state of Orissa, the boys, aged 14, 14, and 12, all members of the lowly barber

caste, were seduced from a joyful religious celebration in the town.

They were promised a feast, when they arrived at a small temple on the top of a hill, their heads were dashed repeatedly against a rock. They were then held upside down over the goddess's abode while their blood flowed. Their bodies were thrown into a valley, where they were found next day.

Suspicion has fallen upon a local religious group who follow a Tantric form of Hinduism.

Troops fire on mob in Hindu-Muslim clashes

From Our Own Correspondent, Delhi

At least two people died and five more were hurt as soldiers opened fire on a stone-throwing mob in Dariajpur in Ahmedabad yesterday.

The crowds had been excited by a typical piece of religious confrontation between Hindus and Muslims. Two religious holidays fell yesterday, the Muslim Id-ul-Fitr, marking the end of the fast of Ramzan, and the Hindu Rath Yatra.

To prevent communal clashes, which have been continuing in Gujarat state, of which Ahmedabad is the principal

town, the Hindus were officially forbidden to parade their idols.

However, as the doors of the Jagannath temple opened to worshippers, a large herd of sacred cows was let loose. In the confusion, three temple elephants were led out. They pushed police lorries out of the way.

In the afternoon as three chariots were returning to the temple, they passed through the curfew-bound area of Dariajpur. When young men began throwing stones from roof-tops the Army opened fire.

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this aspect, but in a highly competitive two horse race where one horse is already in front by a head, this aspect counts for enough to remove the possibility of a photo finish.

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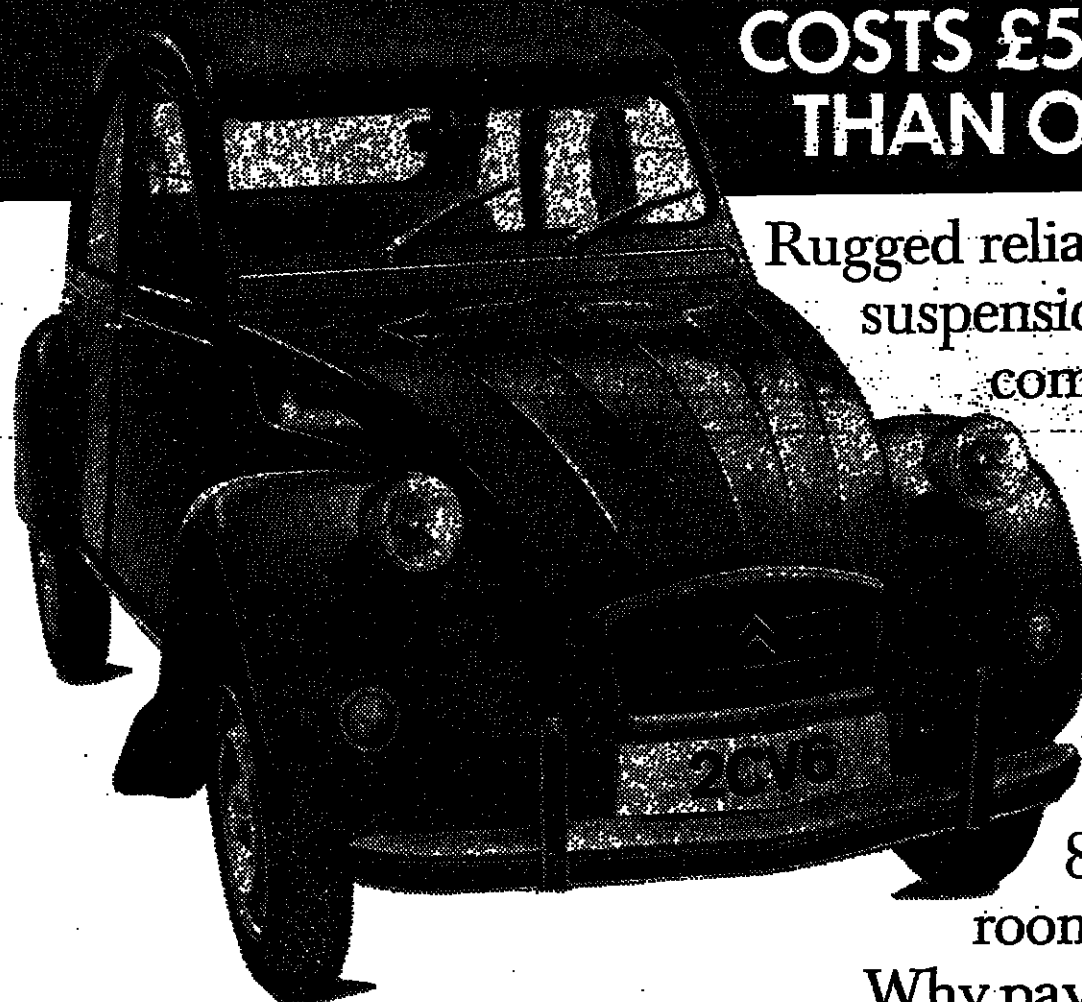
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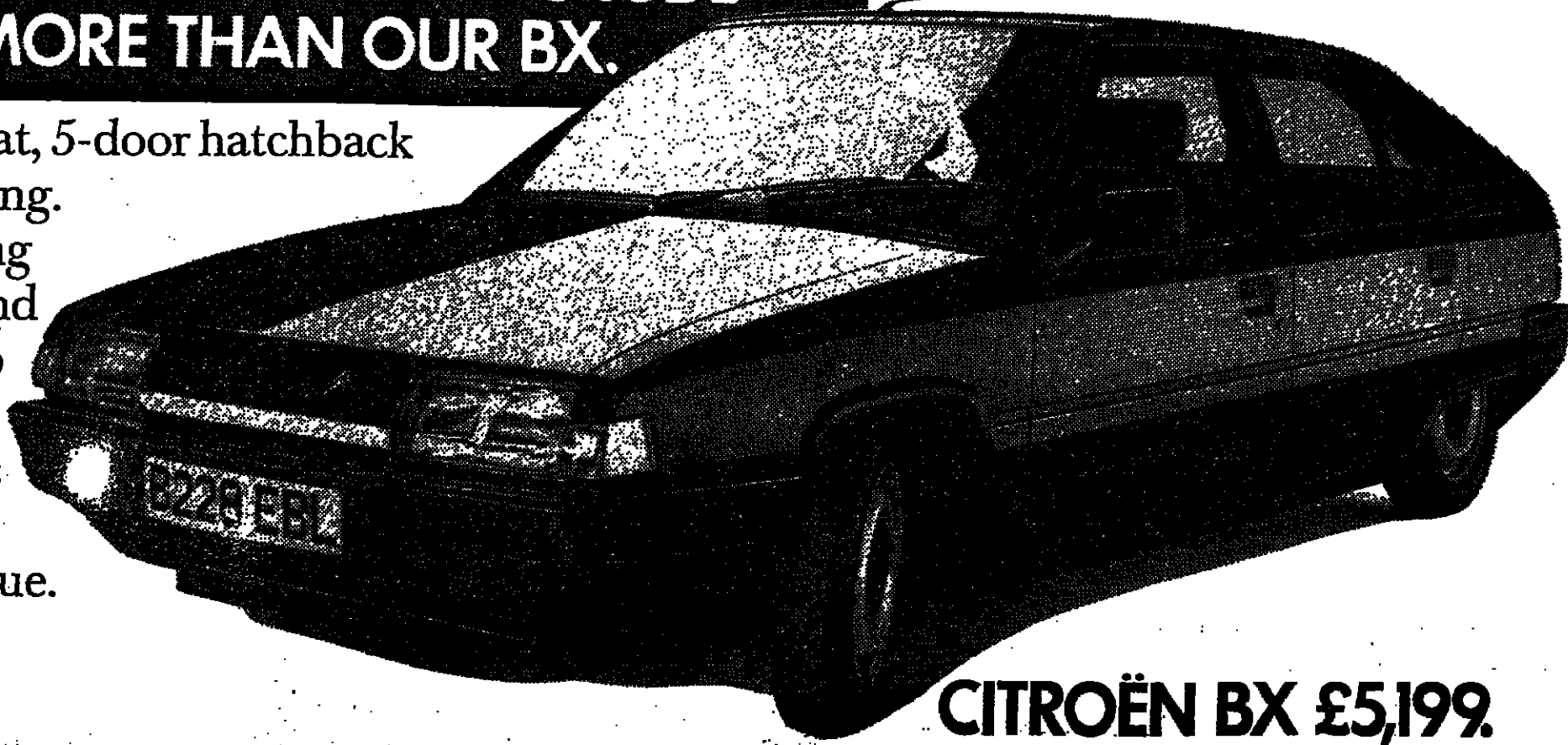
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Novelists with the world before them

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THE TIMES
JONATHAN CAPE
Young Writers'
COMPETITION

Our aim in launching the competition, with prizes totalling £5,000, last year was to provide a stimulus and a deadline for writers under 30 who were contemplating a book or to the throes of writing one. I had been involved in two previous competitions: one of them Jockey, the elbow of Salman Rushdie, who wrote his first novel *Guitar* for a science fiction contest, the other spurred D. M. Thomas to finish his first novel *The Glute Player*. These seemed like good reasons to try it again.

Although we had solicited both non-fiction and fiction entries, of the 122 manuscripts we received only four were non-fiction. The overall quality of the writing was high and the five winning books are, as Doris Lessing, one of the judges, put it, "all of great interest, on a high level and all quite different from each other". Entries came from New Zealand, China, America and from all over Britain.

There was a wide variety of themes and concerns - much post-holocaust despair and widespread sexual ambiguity, but little of the kitchen sink or of feminist writing. There was a cheering element of Uxbridge and Bainsbridge to counter the inevitable Oxbridge, and what did emerge was a certain grim realism relieved by flashes of fantasy

and imagination. The winning book, *Clara's Heart*, excited us with its depiction of what another judge, Hermione Lee, called "a cultural clash". The dialogue is marvelously conveyed and often very funny, and although the story is written from the boy's point of view, the author achieves a range of sympathies which Ian McEwan describes as "extraordinarily mature".

The runner-up, *The Prodigal Father* by Kate Saunders, is so accomplished that some of us wondered if Doris Lessing had submitted it under a pseudonym. This beautifully written story of a motherless family of girls living on the Isle of Wight at the turn of the century impressed the judges, who included Peter Stothard and myself, with its Compton-Burnett-style handling of family life.

We will also be publishing the three other books from the shortlist. *Dog's Life* by James Rogers is a scorching tale of a breathtakingly vicious and eerily intelligent eight-year-old called Paul. *The Hare and His Dance for the Moon* by Richard Burns is about a shell-shocked poet struggling to live with his memories in the aftermath of the First World War. And from New Zealand, comes a writer of fine wit and imagination in Hugh Cook, author of a post-apocalyptic fantasy, *After Advent*.

Liz Calder

Editorial Director, Jonathan Cape, and chairman of the judges

An extract from Joseph Olshan's winning book will appear in *The Times* tomorrow

THE WINNER Joseph Olshan

The story told in Joseph Olshan's novel is about the affection and trust between a boy, whose parents divorce, and his mother's middle-aged Jamaican housekeeper. Mr Olshan's parents divorced when he was a schoolboy, and his mother's Jamaican housekeeper was a dependable rock in his middle-teenage years.

He insists, however, that *Clara's Heart* is not autobiographical. "Clara, the housekeeper in the novel, bears no resemblance to Miss Gwyn, my mother's housekeeper. I recognized that, with first novels in particular a writer can be bound by his memories, but I was not trying to re-create my boyhood.

"I had a promising story of a white boy and a black woman, and I worked hard to carve it out over a period of three-and-a-half years. The first versions were written in the first person, but that made the novel seem too autobiographical. In another version I tried to beef it up commercially, but that wasn't right.

"I put the book to one side for about a year while I worked on something else. This was my way of stepping myself in it, a necessary process for any writer.



Joseph Olshan: "I cut the book to the bone to get at the passion"

and their social stations, she the hired help, he the son of an upper middle-class New York home. She has her own tragedy, the loss of her child, and she becomes a surrogate mother to a boy left on his own. She holds everything together. When she takes him to see her friends, all these wonderful Jamaican ladies in Brooklyn, he sees how the other half lives, and finds companionship.

Mr Olshan, who is 29, went to the University of Vermont and the University of California, then worked in the film industry in Hollywood, reading scripts and film

ideas. "I didn't like it much", he says. "Apart from the craftsmen, who are very good, the movie-business attracts mediocrity. Many of the writers and directors are no good and many actors are bores. Hollywood demythologized the movie business for me and I came back to New York to write."

Mr Olshan is thrilled by the prize. "I worked tenaciously on the novel. After the telephone call from London I couldn't write the rest of the day, I was so excited."

Trevor Fishlock

THE RUNNER-UP Kate Saunders

She did not go quite to the lengths of Jane Austen, who is said to have hidden her manuscripts under the knitting whenever someone entered the room, but Kate Saunders has been a closet novelist, until now.

She managed to keep her competition entry a secret but when she learnt that she was runner-up in *The Times/Jonathan Cape First Novel Competition*, she came out in grand style, with phone calls to friends and family.

Her novel, *The Prodigal Father*, tells of a family of girls living on the Isle of Wight at the turn of the century. The father, who never liked his children, has flown the coop, returning several years later upon the death of his wife.

Despite the fact that the oldest girl in the story is 18, the same age as Kate was when she started to write it, and despite the fact that it is set in the location of her own family holidays, she denies emphatically that the novel is about herself.

"I suppose that's what I'm proudest about, though I'd have to agree that one puts tiny bits of oneself into all the characters, inevitably."

Kate, aged 25, is an actress, currently appearing in two plays at the Traverse Theatre in Edinburgh. Mike Scott's *Dead Men* and *Macquinn's Metamorphoses* by Martin Hobbs. It might explain an unusual confidence in the use of dialogue. So many first attempts seem to keep the characters tied to their creator by the short leash of prose, as though they will come to grief if let loose with their own words.

There is a good deal of ink in the



Kate Saunders: "Such long hours"

Saunders veins. Kate's elder brother is a poet, and her two younger sisters are journalists, one an editor at Marvel Comics, the other features editor of *Girl About Town*. Her father is a freelance public relations man and her mother, once of the *Daily Mirror*, now writes for *Church Times*.

"It hadn't been for my parents, I don't think I would have persevered with the book," says Kate. I showed it to them at its first draft stage, when I was 18. As far as I'm concerned, it read like semaphores, but they were very encouraging.

"I devoted such long hours to the book", she recalls, "that my backside aches in retrospect. But, having written it, I got the most marvellous sense of satisfaction. It's something that you've made. In acting, you don't get that feeling, because there's nothing tangible to show for it. I thought, well, whether it's good or whether it's bad, it's there, and it's got a momentum of its own."

Alan Franks

Richard Rogers' daring new building for Lloyd's of London has its foundations in the 1920s

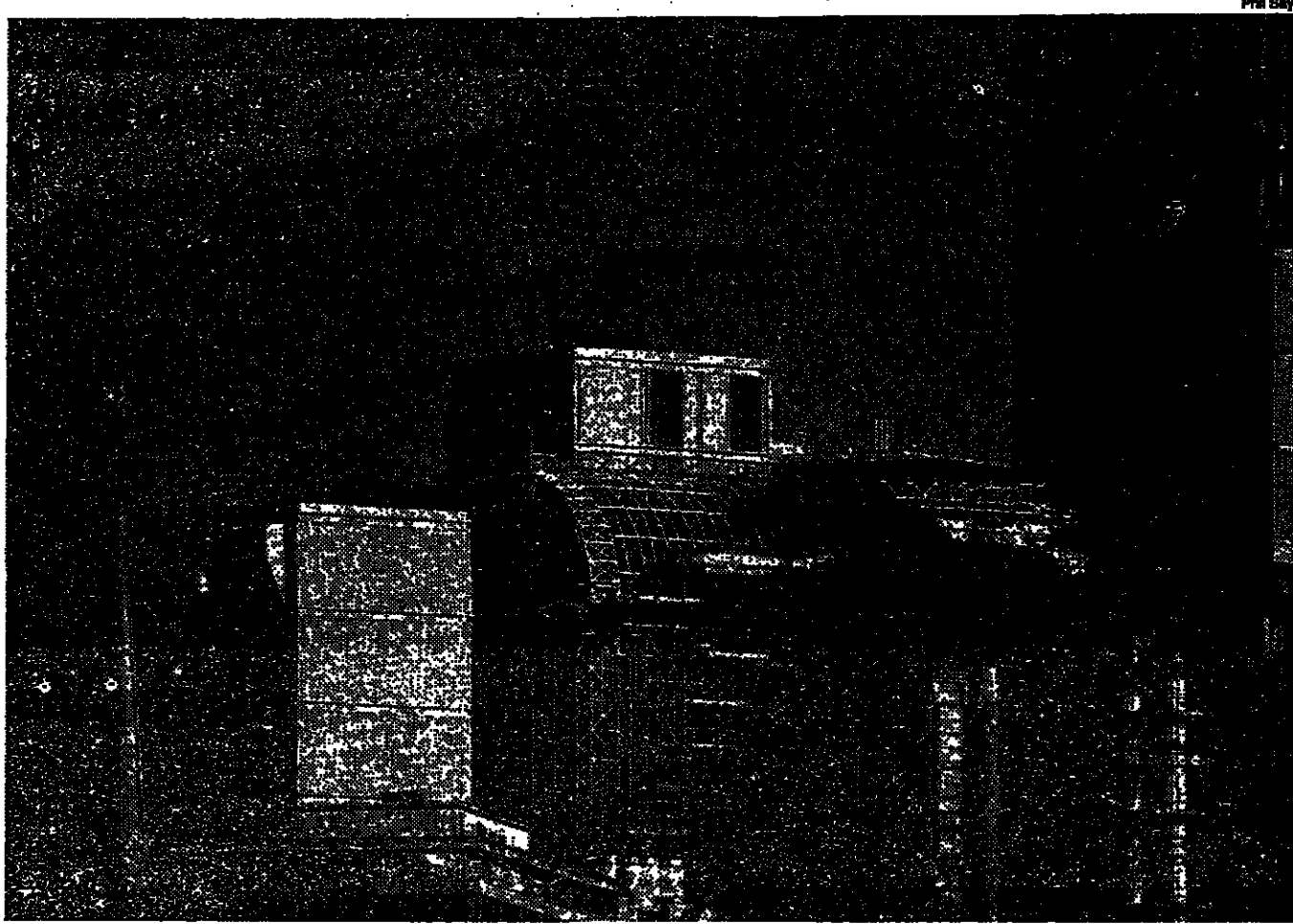
Architect under a hi-tech influence

In 1928 the father-in-law of a certain Doctor Dalsace bought an 18th century town house at 31 rue St Guillaume in Paris. The plan was to knock it down and build new consulting rooms and a house for his daughter and the good doctor. Unfortunately the old lady living in the top-floor flat refused to move, unaware that her stubbornness would, 57 years later, help to transform the skyline of the City of London.

Back at rue St Guillaume the doctor's architect, Pierre Chareau, was unruffled. Using steel underpinning for the top floor, he proceeded to demolish the house leaving the old lady with her flat and a staircase to reach it. Beneath her feet Chareau proceeded to construct one of the most extraordinary buildings of the 20th century - the Maison de Verre, using every material to the limits of its known capability. He built the walls of translucent glass lenses and steel and everything down to the rotating bidets was custom-designed. Nothing looked like anything anybody had ever seen before. Outside, steel ladders provided lighting gantries which directed beams upwards through the lenses and inside glass screens and storage units made everything mobile, or "transformable", as Chareau put it.

The Maison de Verre became a cult building. It did not feature in the official histories of modern architecture but, during the 1950s and 1960s, was discovered by a generation of architectural students one of whom, Richard Rogers, will be awarded the Royal Institute of British Architects Gold Medal on Tuesday. The award comes as the new Lloyd's insurance building in the city is nearing completion - a building deeply and unashamedly influenced by Chareau's wayward masterpiece.

"If you want to know of a building that influences Richard Rogers and Partners more than



Grand design: the Lloyd's insurance building, nearing completion and helping to transform the City of London's skyline

any other", Rogers comments, "it is the Maison de Verre". From Chareau, Rogers has derived his profound love of the intricacies of technology. It has earned him many enemies among the conservationist New Right who claim that his work is simply "not architecture". But it has resulted in a new sense of excitement about modern buildings at a time when real architecture seemed to be on the run from a wave of feeble revivalism.

The Rogers style - now generally known as "hi-tech" - was not easily evolved. His architectural education took place at a time when few people in the profession questioned the absolute rightness of the masters of modern architecture - Le Corbusier, Mies van Der Rohe and Frank Lloyd Wright. But this was producing slavish imitations and the shortcomings of Le Corbusier's ideas of urban planning were laying the foundations for civic disasters up and down the country. When Rogers first went into

practice in 1963 with his first wife, Su, and Norman and Wendy Foster, the problem had become clear enough - what could the committed modern architect do next?

As a post-graduate student at Yale, he had come into contact with the attempted solutions of the American-based masters - Louis Kahn, Eero Saarinen, Serge Chermayeff and Paul Rudolph - but he had yet to find his own form. The early buildings of the practice - known as Team 4 - though often highly successful clearly owed much to the experiments of others.

But in 1966 they were asked to build a factory for Reliant Controls at Swindon in 10 months from the moment of receiving the commission. After a series of private houses each of which had taken years to complete, Team 4 clearly had to come up with a new method. For inspiration they first looked to the house built by Charles and Ray Eames in California in 1950, constructed entirely of off-the-shelf parts.

The result was an award-winning design and a rediscovery of the beauty of technology in the raw which Rogers had first spotted in the rue St Guillaume. Team 4 had found its direction even though soon afterwards they were to split up and Foster and Rogers were to go their own ways.

In fact, although both maintained the "hi-tech" inspiration, their different temperaments began to produce startlingly different buildings. Foster is, in essence, a classicist whose buildings have a taut, finished look - most notably with the Willis Faber headquarters in Ipswich or the Sainsbury Centre for the Visual Arts at the University of East Anglia. Rogers, in contrast, has evolved a romantic style with almost Gothic overtones. His most famous building - and possibly the most successful modern building in the world - the Centre Pompidou in Paris derives its beauty from an almost unfinished feeling.

allowed to flood all over the surface. But, even after the massive success of the Centre Pompidou, Rogers was far from safe professionally. And, in Britain, innovative architecture seldom receives patronage.

Big British buildings tend to be built by big British architectural practices whose primary talent is in dealing with the planning regulations and producing bland, unobjectionable styles. This leaves the Great Unbuilt - the dozens of gifted



Richard Rogers: a style that was not easily evolved

British architects who never see a building site while mediocrities seize multi-million pound commissions.

"I can't think of any other country which ignores architecture except to knock it", he says. "The fact that there's been a lot of mistakes goes without saying. On the other hand there is very little recognition of design quality and we have produced one particular breed of architect in this country - the politician rather than the designer who just knows how to get round the planning laws."

"So there are many fine talents who just don't build. And if you don't build, if you don't write, if you don't make love when the opportunity comes you have greater difficulties expressing yourself."

It was all the more astonishing, therefore, for Rogers to be awarded the Lloyd's contract. A supremely conservative insti-

tution was asking the figurehead of the architectural avant-garde to design a building costing more than £150 million in the heart of London.

The result is a modern masterpiece which will out-Chareau Chareau, but which owes much to him in its courageous exploitation of materials. Rogers has produced extraordinary 240-foot high concrete columns which soar up through the central glazed atrium.

John Young, one of Rogers' partners, is in the habit of starting with glazed happiness at these columns and murmuring: "We've taken concrete further than its ever been taken before".

Rogers has used six service towers, which carry the replaceable toilet capsules, lifts and stairs, to give an ethereal quality to the city skyline. Even the turquoise service cranes and the massive stainless steel air-conditioning ducts seem to add to the effect. He has produced a poetry of technology.

The building itself stands as a powerful argument for modern architecture, but Rogers is still fully aware of how far he is from winning the case in Britain. The effect of the conservation campaign has been to make new building not quite respectable. In Paris recently he judged a competition and President Mitterand turned up for half a day to discuss the entries.

As if to prove his point Rogers' next major building will be in Seattle while chronically-compromised office blocks and institutions by talented designers continue to spring up around Britain.

Lloyd's will be officially opened next May and meanwhile in Hong Kong the new offices of the Hongkong and Shanghai Banking Corporation by his old partner Norman Foster are nearing completion. One of the mottoes of the old master Mies which he used to growl to his followers was "Get ze verk". The graduates of Team 4 have finally - against all the odds - done just that.

Bryan Appleyard

Coaching the driver

COMMENT

An excellent *Spectrum* article (June 7) on coach safety made the point that it is probably 10 times safer to travel by coach than by car. But, being married to marketing manager of the world-wide coach company, and working in the tour-guide industry, I think we can make coach travel even safer for the passengers by acting on the human errors which cause most accidents.

There is nothing to stop someone finishing a normal 40-hour week, in an office, say, and immediately taking on an overnight coach-driving job. Surely coach drivers should be treated like airline pilots and made to take regular rests?

We should follow the continental example and insist on coach drivers having a medical examination every year - not waiting until they are 46, and then following them up at too-long intervals.

The Department of Transport has been talking to coach operators about changing the law to allow coach drivers to act as guides while driving. At the moment it is illegal but the last time a coach driver was prosecuted for breaking this law, sympathetic magistrates fined him only £5; now the police prosecute for driving without due care and attention, as the penalties are heavier. The department, pointing to a lack of prosecutions, seems to believe it will be perfectly safe for a driver to give a commentary

whilst driving on winding country roads or in heavy traffic. A change in the rules will save money, but just let me get part of the way if this becomes law.

People talk about improving coach safety, but sometimes passengers cause the accidents. Fifty people with hand luggage stuffed in roof racks equals half a ton of overloading and potential trouble if a coach has to swerve. This luggage should be only handbags and papers, the rest going in the boot. Anything left in gangways is illegal and can block emergency exits.

One item that could improve safety is the computerized ABS braking system. This enables the driver to apply full brake pressure when required under any road conditions, operating the brakes independently to their maximum potential without locking the wheels. It is designed to prevent skidding, and at present is an optional extra on most continental vehicles.

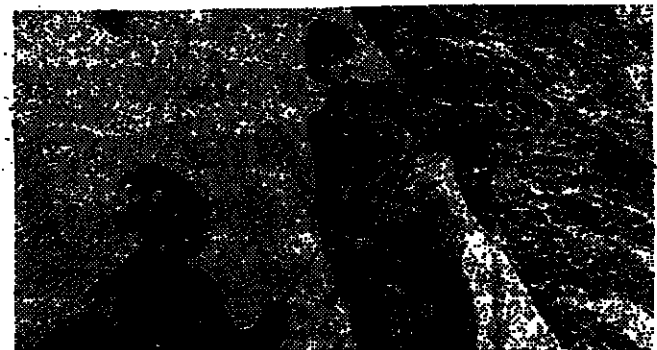
Apart from this item, the Department of Transport should insist on more driver training, including first aid. A real professional is safer behind the wheel, avoiding trouble by thinking ahead.

Verité Baker

SATURDAY

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AUBERON WAUGH

on the Getty bequest: "I do not think it at all a good idea that the National Gallery should be encouraged to go on buying pictures. It has quite enough already. After a certain point, I am convinced that every work of art transferred from private to public ownership represents a diminution in the total sum of human happiness."

ANDREW BROWN

on Education: "Anyone who has been to school, as I suppose many *Spectator* readers have, knows that most teachers are stupider than their cleverer pupils, and scarcely better informed. Mercifully age allows us to forget this, as we forget the other horrors of childhood. The correspondence columns of the *TES* refresh the memory."

JEFFREY BERNARD

at a wedding: "It was a glorious day married only for five minutes by my looking out across the river and pondering my own marriages. The old eyes brimmed over and two tears splashed into my vodka giving it an attractively salty flavour. This is a new cocktail that I have decided to call Marriage on the Rocks."

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FRIDAY PAGE

The agony of being born too beautiful

A woman may be strikingly good looking to everyone but herself, as Shirley Lowe reveals

Audrey Hepburn was the face of the 1950s and 1960s. She came out of the Monroe/Marilyn era but made the bosom obsolete as a fashion object from the moment she appeared in Gigi ("Mon Dieu! She was Gigi! She was a cold! Half woman, half boy, unformed, unselfconscious as a woman, surely a virgin, perfection!" marveled the author Colette on first seeing her, if we are to believe Miss Hepburn's new biography. Now we learn that while women all over the Western world were flattening their chests, getting their hair cut boyishly gamine, dieting to waif-like fragility and trying to look like Audrey Hepburn, she was far from pleased with herself.

of someone who has been told so often that she is beautiful that her looks have become her identity. Mrs Thatcher, who doesn't have to depend on her beauty for her self regard or her living, was recently asked by David Frost whether she considered herself beautiful. She replied: "No. I know I am neat and reasonably all right." Most of us would probably respond to that question in the same sort of way and we are able to accept a spot on the chin with stoicism and an application of antiseptic cream. Now David Bailey, who has photographed most of the beautiful women in the world, and been married to some, says he knows why they are insecure. "It's something you get for nothing, beauty. When anything is that easy to get and to have, you doubt it."



Sophia Loren in The Key (1958) and as she is today. Born in 1934 she grew up in a Naples slum and was groomed for stardom by Carlo Ponti, the man who became her husband.



Brigitte Bardot as the French sex symbol (above) and as she is now. Born in Paris in 1934, she posed on the cover of a magazine at 15 and married film director Roger Vadim, who shaped her career.



Jean Shrimpton as the Shrimp (above), the world's No 1 model of the Sixties, and as she is today. Born in 1942, she now runs a small hotel with husband Michael in Cornwall and has a son aged five.



Rita Hayworth, as erotic film queen of Hollywood (above) and today (right). Born in 1918 in New York, she made her screen debut in 1935; her first big role was in Only Angels Have Wings.

In the nude but because somebody might point at her and say that her bosoms had drooped, which they hadn't. You just have to jolly them along. I've paid out thousands of pounds to some make-up man or hairdresser because the star imagines he's the only person in the world who can make them look all right, and the truth is they look fine, they don't need any of them. "The awful thing about living off your looks is that it's like being in class at school and every year you're more likely to be the dunce in the corner and nobody is interested in you and nobody phones you and you just go home every night and wait for the telephone. "I remember once standing outside Chusens in Los Angeles with Rita Hayworth. She was drinking heavily because nobody had phoned her for a long time and the street light caught her profile and the clock turned back, and it was like seeing Gilda all over again.

"Of course they all adore sweet things and they exercise and diet and put aside all the pleasures of life the rest of us enjoy because they know that if they get fat they've had it. I very much admire Faye Dunaway who has only one meal a day and works terribly hard at keeping attractive." Winner was once on location with Sophia Loren when she insisted on standing on a chair and shouting at the crowds in the street not to take photographs. "I said to her: 'Sophia, dear, let me do that for you; let me shout'. But she wouldn't stop. She knew that a member of the public only has to take one unflattering photograph and sell it to the papers and she'll be over the hill and losing a lot of work and money." The narcissistic obsessions of professional beauties are understandable, but John Taylor, who works for Adel Rootstein, and sculpts those realistic figures who prou and loom so menacingly in

shop windows these days, says that the people who pose for him worry just as much about their looks as actors and models.

"They're all concerned with their noses", he says. "They have never seen themselves three dimensional before and they say could you take a bit off here and how would I look if I had a bit off there? I try to faithfully reproduce all the little nooks and crannies and mistakes because liquorice allsorts is what it's all about. I've had a girl say to me: 'I'm a mess, I'm ugly, and I say.' You're absolutely right. Your nose is crooked and your eyes are too close together, but don't change anything. It's perfect."

"The thing to remember is that women feel they have to contend with a current look and, when they realize they've got to bring out their cheekbones or make their eyes larger, they think they are ugly because they are not conforming to the mood of the moment."

Mr Taylor says he never quite believes model girls when they swear they look awful. "There's something a bit disingenuous about it. I think what they're actually saying is: 'Let's get back to the great topic. Let's talk about me again.'"

Continuing to look good has certainly become more of a strain as some women raise the standard. At one time a beautiful woman was over the top at 35, then came Sophia Loren and Brigitte Bardot looking good at 40, now Joan Collins succeeding as a sex symbol at 50.

"You wouldn't catch Joan Collins talking about what's wrong with her looks, she's much too professional", says Mr Taylor, adding indelicately: "If there was anything wrong, she'd have it put right..."

It is the beauties and not the uglies who go off to the plastic surgeon and have a nip taken in here, a tuck taken up there and their breasts plumped up so that they can carry on wearing the latest see-through Zandra Rhodes. The other day, one of the prettiest women I know had the bags removed from under her eyes. "Don't mention it to a soul", she hissed and lurked at home until she'd summoned up enough courage to face the world with baby-smooth skin. She needn't have worried because, of course, she was the only person who ever noticed that she had bags under her eyes.

For those of us who've always known that we were neat and reasonably all right, there's something unworthily pleasing about discovering that the world's great beauties are riven with insecurity about their looks. Finding out that Audrey Hepburn was wimpy about her thin arms and crooked teeth was like learning that Paul Getty wasn't happy, in spite of all that money.

Nancy Mitford got it right when she had Cedric saying to Fanny in Love in a Cold Climate: "Oh, you are lucky, Fanny, not to be a beauty. You'll never know the agony of losing your looks."

Audrey, by Charles Higham. New English Library. To be published August 19, £10.95.



Kate Saunders: "Such long hair... Saunders says. Kate's older brother is a poet, and her two younger brothers are journalists, one an editor of Girl About Town. Her father is a freelance publicist. Daily Mirror now writes for Co. Times.

Alan Frank

COMMENT

whilst driving on wide country roads in the traffic. A change in the law will save money, but it will get out of the way if it becomes law. People talk about super-coach safety, but larger passengers cause the trouble. Fifty people with head bags stuffed in roof racks equal a ton of overloading at potential trouble if a car is to swerve. This luggage will be only handbags and not the rest going in to us. Anything left in garage is illegal and can block escape exits. One item that could improve safety is the compulsory air braking system. This tells the driver to apply full brake pressure when required under any road conditions, opens the brakes independently to their maximum potential, and out locking the wheels. It is designed to prevent skidding and at present is an optional extra on most commercial vehicles.

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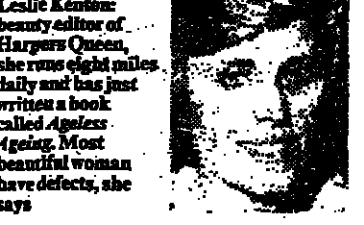
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Leslie Kenton: beauty editor of Harper's Queen, she writes a daily and has just written a book called Ageless Ageing. Most beautiful woman has defects, she says.

Models, he says, invariably fret that their noses are too big or they can't wear their hair like that. Marie Helvin likes to be photographed from one side of her face, Jerry Hall hides behind all that hair and Jean Shrimpton was always worried about the bags under her eyes. Did she have bags under her eyes? "Yeah", says Bailey, "she had them, but lots of good looking people do". He has just photographed Cher, the American actress and singer, and she refused to look at the pictures. "That's kind of insecure, isn't it?" "All women who are considered beautiful wonder what the hell everyone's talking about because they know their imperfections so well", says Leslie Kenton, who is considered beautiful. She is the health and beauty editor of Harper's Queen, has just written a best seller about the benefits of eating raw foods and has a book coming out soon called Ageless Ageing. She runs eight miles daily and glows with golden health. Nevertheless, she broods about the dark circles under her eyes. "My grandmother had them. I've always had them and every time I look in a mirror that is what I see."

climbing trees. From that moment my tan started at my toes." Leslie Kenton believes that most beautiful women have defects. "You say Audrey Hepburn is beautiful, I say she's beautiful, but she has no breasts, wonderful crooked teeth and she was thinner than anyone would want to be. And yet she had beautiful eyes and such vitality and those imperfections make her unique. Beauty is about being what you are and being it with flair, accepting your own looks." Marilyn Monroe, that other female prototype, was never able to accept her imperfections and by the end of her life her self image was totally destroyed. Michael Winner, the film producer and director, says he has never known a happy actress over the age of thirty. "It's very sad. The clock ticks more surely for a woman than it does for a man. With each tick she gets a bit older, a bit more insecure, a bit more frightened to go on the set and face the



Audrey Hepburn, the Face of the Fifties (above) and as she is today. Born in Belgium in 1929, she became a model, played the lead in Gigi on Broadway and won an Academy Award for Roman Holiday cameras. Sometimes you're lucky to get them out of the dressing room at all and you have to cut scenes to accommodate them. That's what happened to Monroe." "All actresses, he says, are insecure. The reason they become actresses is in order to take on somebody else's character, to be somebody else and they are afraid, all the time, that somebody is going to be standing at the side of the set saying: 'Just look at that ugly hand!'" "Carol White, for instance, wouldn't play a nude scene, not because she was afraid of being seen

Mum's the word they care about

Parental competition did not end with the eleven plus and was always more intense in the nursery than the classroom. The age at which a baby first talks is one of the milestones eagerly watched for by parents and grandparents, and if passed early, is freely boasted about. It is therefore not surprising that a baby's late speaking is a frequent reason for visits to the doctor. Dr Stephen Herman, a consultant paediatrician, has

MEDICAL BRIEFING

recently reviewed the problem in Update. Dr Herman told The Times that talking, like any other skill, has to be judged in relation to the rest of the child's development. The age when a child said his first word varied enormously; anything between seven months and four years could be normal. Albert Einstein failed to say anything until he was four, a precedent which is comforting even for the most ambitious parent. Greater attention, in Dr Herman's view, should be given to the time at which a child first vocalizes, the gurgling, cooing, laughing noises a baby makes. As a rough guide, vowel sounds can be first detected at two months and by four months

Smoke signals show danger

Smoking has been added to the list of causes of relative infertility. A report on the relationship between smoking and conception in 700 women, published in the Journal of the American Medical Association, has shown a clear link between smoking and the time taken to conceive. Thirty eight per cent of women who were non-smokers conceived as soon as they stopped using contraceptives. The figure for smokers was 20 per cent. In any cycle, smoking reduced the chance of conception by approximately a third. The difficulty in conceiving was related to the number of cigarettes smoked.

Success with strokes

The advantages of treatment of mild and moderate hypertension - high blood pressure - in the younger age groups has been well established for some years. Treatment for the over sixties has been more controversial, but this week the results of a European trial involving over 10 countries have been announced in Milan. The trial, started in 1972, was due to run until 1987, but the advantages of treatment have been so marked that its continuation was considered unethical. In an interview published in

HEAL'S SALE NOW ON. Seconds Collier Campbell Home Furnishing Fabrics normally £8.75-£9.95 per metre, seconds price £5.50 per metre. Save 20% on Heal's handmade duvets and pillows. Heal's Bourne double bed only £695. Save 35% on Adaggio upholstery by Michael Tyler in cream or grey leather. 20% off Caspa upholstery. 15% off Interubke and Hulsta fitted furniture. 15% off Moser bedroom furniture. Up to 15% off Roset upholstery and fitted furniture. Up to 15% off children's bedroom furniture. Save 50% on selected linen ranges. As well as great savings on samples, end of range goods, shop soiled and slightly damaged merchandise. 50% off slightly imperfect Thomas 'Trend' tableware. 35% off Dartington Glass seconds. 25% off English silver plate cutlery. And Every SATURDAY we'll have remarkable, never-to-be repeated bargains in selected departments - SO BE THERE EARLY. INTEREST FREE CREDIT AVAILABLE (licensed credit brokers) All offers subject to availability. 196 Tottenham Court Rd London W1 and Tinsgate Guildford

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THE TIMES DIARY

Maxwell challenged

Representatives of Solidarity will today challenge Robert Maxwell to a public debate in London after my disclosure that Maxwell proclaimed the union dead on Polish radio. The Mirror publisher, who had just met, and was much impressed by, Polish leader General Jaruzelski, told Poles: "The problem of Solidarity is now solved... Everybody has a job here." Of his Mirror Group, Maxwell said: "We sell about 35 million copies a week. We certainly will be devoting less space to Solidarity..." Yesterday Marek Garzdecki, Solidarity's representative in Britain, said: "Maxwell's views differ radically from those of both the Foreign Minister, Sir Geoffrey Howe, and the British TUC, which protested at the sentencing of three Solidarity leaders last week. It is a challenge to Maxwell to a public debate." Of Maxwell's policy on reducing coverage of Solidarity, Garzdecki has written to Mirror editor Mike Molloy asking if Maxwell's private views are binding to his staff.

● A grinning Denis Thatcher embelzons the newspaper, out today, of the freedom-to-enjoy smoking group, Forest. Thatcher, it says, is 70. "Asked how he keeps so fit, he replied: 'Gin and cigarettes'. He gets through a 20 pack a day."

Wish granted

Nick Grant, the Labour Party's publicity director, has been brought in by Robert Maxwell to head the Mirror Group's public affairs department. Grant, who got the Labour Party job two-and-a-half years ago, has not had an easy ride. Politicians blamed him for his lacklustre handling of Labour's last general election campaign, while last December staff at Labour Party HQ grew up in motion of no confidence in him after his somewhat quixotic appointment of a freelance journalist to handle publicity for the Enfield by-election. Labour should not celebrate his departure too soon: Grant has just announced his intention of standing for Parliament in the next election.

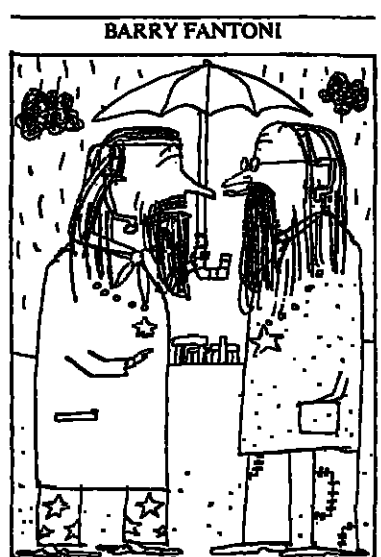
She's a fellow

Peterhouse in Cambridge, famous for producing such right-wing hacks as Peregrine Worsthorne and Colin Welch, is about to elect its first female fellow. Caroline Moore, wife of the Thatcherite Charles Moore, editor of The Spectator. Dubbed "Mrs Young Fogey" by the Cambridge graduates, Mrs Moore caused great mirth by revealing a discovery she made while dining at the home of the Tory Party chairman, John Gummer. When she went to collect her coat from the Gummer bed, she accidentally drew back the bedcover, revealing his and-hers pillows on one reading SEX, SEX, SEX, the other YES, YES, YES.

Laying Reiths

What price political independence? BBC External Services has just agreed to set up an exchange of staff with Voice of America, regarded as little more than the Pentagon's propaganda station. Besides promoting the line, VOA has also offered to make up the BBC candidates' salaries to American rates, at the cost of several thousand pounds. Not unnaturally, several BBC staff are only too keen to go. Others are said to be outraged at the exchange, saying it will challenge the political independence of the External Services, the only such station in the world free of government pressure.

● Surrounded by the latest high-tech wizardry in the current Teikoku International Exposition near Tokyo is the UK pavilion set up by the Central Office of Information. It boasts a Sinclair C5 and a left-hand drive Jaguar car. The Japanese, like the British, use right-hand drive cars.



I know it's the solstice, man, but where's the summer?

The right stuff

Judging by the paranoid questions set for the referees of parliamentary hopefuls by Conservative Central Office, one would think the Tories would be immune from domestic scandal. Question two asks straight out: "Do you know of any incident in his (not his) life, either personal or business, which might cause him (or the party) embarrassment if it were disclosed subsequent to his adoption?" Still more candid, question seven asks: "To what extent will his wife and family be a help or hindrance to him as an MP?" Now who would they be thinking of among the current crop of members' spouses?

David Butler on what the next election could bring



The Tory faces at risk

The British mock America's elongated elections which cast their shadow for years ahead and obscure all other politics for the final nine months. But here too electioneering grows ever more extended; less than half way through the parliamentary five-year term, the contest seems to have moved to centre-stage.

The local elections last month showed that the voters were stirring and subsequent opinion polls suggested that the Conservatives had slipped to second or even to third place.

It is worth looking at the detailed evidence about how people voted on May 2. The county elections then were as near to a nationwide test as we shall have before the next general election. Yesterday, Marjorie and Gallup agreed in putting all three parties at between 30 and 36 per cent, even though they disagreed on their ordering.

Assiduous researchers in the House of Commons library have now added up every vote cast in the English counties and worked out the exact implications for the 310 Westminster seats in which local elections went to the polls.

Four words of caution. 1. Local elections have a tendency to be more adverse to the party in power than opinion polls or general election statistics; an government handicap of 5 per cent is a common estimate.

2. The turnout on May 2 averaged 43 per cent. That is 30 per cent less than it will be in the general election. It may be that Thatcher supporters predominate among those of this year's stay-at-homes who will rush to the polls when the fate of the Government is at stake.

3. Party politics has taken over in local government - but not completely. Of the 3,096 seats at stake on May 2 the Conservatives fought 2,807 (91 per cent), Labour 2,748 (89 per cent) and the Alliance 2,452 (79 per cent). In much of Cornwall and in some other localities carried the Conservative flag. In a few cases, but only a few, the voting figures are significantly distorted by the pattern of candidatures or by boundary changes.

4. The areas that held elections were

The Conservative heartland. The swing against the Government would presumably have been larger if Scotland, London and the metropolitan counties of northern England had had their chance to express their irritation with the Government.

Table with 3 columns: 1983, 1985, change. Rows: Conservative (50.2, 38.4, -11.8), Labour (21.4, 30.0, +8.6), Alliance (27.9, 27.9, 0.0)

And here it was that those swings imply in control of the 310 seats:

Table with 3 columns: 1983, 1985, change. Rows: Conservative (263, 178), Labour (40, 102), Alliance (7, 30)

Here is how the voting percentages changed in the 1983 general election and the May 2 elections:

Table with 3 columns: 1983, 1985, change. Rows: Conservative (50.2, 38.4, -11.8), Labour (21.4, 30.0, +8.6), Alliance (27.9, 27.9, 0.0)

It is intriguing to look at individual seats. Consider, for example, how the voting percentages changed in David Owen's Devonport.

Table with 3 columns: 1983, 1985, change. Rows: Alliance (44, Lab 42), Con (34, Alliance 40), Lab (21, Con 18)

But Devonport is the only place in the whole country where these figures show an Alliance loss to Labour. (Ian Wigglesworth's Stockton South and Clement Freud's N.E. Cambridgeshire, however, fall to the Conservatives.) In Devon itself the Alliance stood to gain four of the 11 seats and to be within five per cent of victory in four more.

Across the country some unexpected seats would fall into the Alliance column - Eastbourne, Maidstone, Hastings, Aldershot, Gosport, Mid-Sussex and Guildford are constituencies that have not returned anything but Conservatives since the 1920s.

It is, however, the Labour Party that makes the most sensational gains. In Derbyshire, on the May figures, it would have won five of the six Conservative-held seats, increasing its vote by 15 per cent in Erewash, High Peak and South Derbyshire. A 20 per cent improvement in Corby offers Labour's biggest advance. But Labour victories in the two Brighton seats and in Waveney, in Milton Keynes and in Lancaster would cause more general surprise.

The one clear regional pattern to these figures is the expected one - that the Alliance gains in seats are at the expense of Conservatives and in south of England. Less expected is the absence of any clear pattern in the Labour advance. In almost every county Labour polled between 8 per cent and 12 per cent more than in 1983. There were

Much can happen before, two years of more hence, Mrs Thatcher calls for a dissolution. Local elections, notably in the London boroughs next year, will provide further indicators about our three-party race. Meanwhile, the detailed arithmetic of May 2 suggests that wets and dries alike face sleepless nights.

Table with 3 columns: 1983, 1985, change. Rows: Labour South (Graham Bright) 14.8, Labour West (Paul Channon) 14.3, Labour East (David Abby) 12.1, Labour North (Andrew Borden) 11.5, Labour Midlands (Michael Woodcock) 10.0, Labour Wales (Michael Woodcock) 9.4, Labour Scotland (Michael Woodcock) 8.9, Labour Northern (Michael Woodcock) 8.5, Labour Yorkshire (Michael Woodcock) 8.2, Labour Devon (Michael Woodcock) 7.8, Labour Cornwall (Michael Woodcock) 7.2, Labour Dorset (Michael Woodcock) 7.0, Labour Devonport (Michael Woodcock) 6.8, Labour Devonport (Michael Woodcock) 6.7, Labour Devonport (Michael Woodcock) 6.6, Labour Devonport (Michael Woodcock) 6.5, Labour Devonport (Michael Woodcock) 6.4, Labour Devonport (Michael Woodcock) 6.3, Labour Devonport (Michael Woodcock) 6.2, Labour Devonport (Michael Woodcock) 6.1, Labour Devonport (Michael Woodcock) 6.0, Labour Devonport (Michael Woodcock) 5.9, Labour Devonport (Michael Woodcock) 5.8, Labour Devonport (Michael Woodcock) 5.7, Labour Devonport (Michael Woodcock) 5.6, Labour Devonport (Michael Woodcock) 5.5, Labour Devonport (Michael Woodcock) 5.4, Labour Devonport (Michael Woodcock) 5.3, Labour Devonport (Michael Woodcock) 5.2, Labour Devonport (Michael Woodcock) 5.1, Labour Devonport (Michael Woodcock) 5.0, Labour Devonport (Michael Woodcock) 4.9, Labour Devonport (Michael Woodcock) 4.8, Labour Devonport (Michael Woodcock) 4.7, Labour Devonport (Michael Woodcock) 4.6, Labour Devonport (Michael Woodcock) 4.5, Labour Devonport (Michael Woodcock) 4.4, Labour Devonport (Michael Woodcock) 4.3, Labour Devonport (Michael Woodcock) 4.2, Labour Devonport (Michael Woodcock) 4.1, Labour Devonport (Michael Woodcock) 4.0, Labour Devonport (Michael Woodcock) 3.9, Labour Devonport (Michael Woodcock) 3.8, Labour Devonport (Michael Woodcock) 3.7, Labour Devonport (Michael Woodcock) 3.6, Labour Devonport (Michael Woodcock) 3.5, Labour Devonport (Michael Woodcock) 3.4, Labour Devonport (Michael Woodcock) 3.3, Labour Devonport (Michael Woodcock) 3.2, Labour Devonport (Michael Woodcock) 3.1, Labour Devonport (Michael Woodcock) 3.0, Labour Devonport (Michael Woodcock) 2.9, Labour Devonport (Michael Woodcock) 2.8, Labour Devonport (Michael Woodcock) 2.7, Labour Devonport (Michael Woodcock) 2.6, Labour Devonport (Michael Woodcock) 2.5, Labour Devonport (Michael Woodcock) 2.4, Labour Devonport (Michael Woodcock) 2.3, Labour Devonport (Michael Woodcock) 2.2, Labour Devonport (Michael Woodcock) 2.1, Labour Devonport (Michael Woodcock) 2.0, Labour Devonport (Michael Woodcock) 1.9, Labour Devonport (Michael Woodcock) 1.8, Labour Devonport (Michael Woodcock) 1.7, Labour Devonport (Michael Woodcock) 1.6, Labour Devonport (Michael Woodcock) 1.5, Labour Devonport (Michael Woodcock) 1.4, Labour Devonport (Michael Woodcock) 1.3, Labour Devonport (Michael Woodcock) 1.2, Labour Devonport (Michael Woodcock) 1.1, Labour Devonport (Michael Woodcock) 1.0, Labour Devonport (Michael Woodcock) 0.9, Labour Devonport (Michael Woodcock) 0.8, Labour Devonport (Michael Woodcock) 0.7, Labour Devonport (Michael Woodcock) 0.6, Labour Devonport (Michael Woodcock) 0.5, Labour Devonport (Michael Woodcock) 0.4, Labour Devonport (Michael Woodcock) 0.3, Labour Devonport (Michael Woodcock) 0.2, Labour Devonport (Michael Woodcock) 0.1

China has found a new answer to a region's poverty - tourism. Mary Lee reports

Tibet counts on the western hordes

Peking Tibet has finally opened its doors to the outside world. Earlier this year, the capital, Lhasa, was declared a second-category open city, which means that foreigners can visit provided they go through a relatively simple procedure of applying for a visa from the police. The Chinese authorities in Lhasa are now preparing for up to 100,000 tourists a year (from a few thousand this year). Whether they achieve that figure will depend largely on improvements in air transport. At present there is only one flight daily from Chengdu, Provincial capital of Sichuan, and Xhan in Shaanxi. The recent opening of the border with Nepal to four groups will bring in more visitors by road.

Why the Chinese government has decided to allow foreigners to flock to Tibet now is a question worth pondering. Those familiar with Tibet's history will leave with a dim view of the Han (Chinese) rulers. Official readiness to admit that "serious mistakes were made in the past" (referring particularly to the upheavals in 1959, following the Tibetan revolt against Han domination after which the 14th Dalai Lama went into exile in India, and in 1966-76, during the Cultural Revolution) cannot gloss over the systematic destruction of the region's unique religious and cultural heritage, evidence of which still abounds, especially outside Lhasa.

In a three-day drive from Lhasa to the border crossing to Nepal, we saw hundreds of monastery and dzong (fortress) ruins. It was not until 1980 that Peking reversed its policies in Tibet, allowing for the restoration of some temples, monasteries and practices, including freedom of worship.

One of the ways that the jungle language grows is by jargon. Specialists in the new disciplines and technologies coin words to describe their inventions. And the rest of us, a bit later, pick them up, and sometimes even get hold of the right end of the stick.

Being a generous fellow, I am inclined to let the specialists get on with their own jargons. Though even I raise an eyebrow at the obvious nonsense perpetrated by illiterate computer people. Who needs "access" as a verb? Who needs "format" to mean "design" as in "Form X will be formatted as Form Y, but only half the size"? Answer: only dummies carried away by the exuberance of their anti-word, anti-intelligence shorthand.

Nevertheless, the language belongs to all of us, not just to Jargonauts. It behooves us to keep a healthy eye on new words that are coming into use without any obvious need. Look out for the invasion of "valorization". Collins



Tibetan women at prayer: will their religion survive the new onslaught?

Interviews with a number of Tibetan and Chinese officials revealed an air of confidence that the central government's current policies in Tibet are "correct" and this could explain the willingness to open Tibet to foreign assessment. The destructive policies of the past are conveniently blamed on Maoists or leftists.

Uninformed tourists, who will be busy overcoming altitude sickness, will probably outnumber knowledgeable ones and the expertly packaged tour - during which there will be no access to ordinary Tibetans - will no doubt leave many visitors with a favourable impression of this unique region. They will probably even accept without dispute the Chinese line that Tibet has been a part of China since the 13th century.

But there is also a pragmatic reason for throwing open the region: the much-needed foreign exchange tourism will bring. (Excluding air fares, tourists pay £56-£73 a day for board, lodging and local tours in Lhasa.) Where past administrative policies - including systematic persecution of Tibetan intellectuals and peasants - failed to wipe out the indigenous people, the almighty foreign dollar might well succeed.

Hundreds of enterprising Muslims from Sichuan and Gansu provinces are already setting up shops or stalls in Lhasa to take advantage of a growing influx of tourists. A total of £4 million has so far been spent in repairing the few temples and monasteries left standing - a paltry amount considering the thousands of religious buildings destroyed under the Maoist regime.

Cynics argue that the incentive behind such restoration is tourism rather than the policy of religious freedom, although the deeply religious Tibetans have taken advantage of it as well.

A valid question is whether Tibet would have fared better had it not fallen under Chinese Rule. The answer is probably yes, or that at least the lack of improvement in Tibetan living standards since 1949 would not have been accompanied by the immense suffering and hunger brought about by Communist policies of the past.

The central government admitted earlier this year that Tibet was close to bankruptcy. A government economic study pronounced that the autonomous region, with a population of just under two million, could not survive without subsidies from Peking. The study said the ratio of subsidies to Tibet's gross

output value had risen from 30 per cent in the 1950s to 80 per cent in the 1970s and 97 per cent in the 1980s. Despite the more than £1.9 billion in subsidies poured into Tibet in 1982 to 1983, nearly 20 per cent of the urban and rural population still had an annual income of less than £28 per head.

Even if Tibet's total financial revenue - amounting to a mere £4 million in 1983 - were to be used for relief purposes, the report added, it would still be £450,000 short. The easy way out is obviously tourism. By spending £113 million on long-overdue infrastructure and two hotels, the central government is now ready to take in the tourist dollar - at a million this year and rising.

As Mr Han noted: "Tibet is rich in natural and human resources (for tourism) - beautiful peaks, lakes, vegetation, monasteries, plus the unique customs and habits of Tibetans." Asked why the Tibetan authorities no longer require tourists to pass a medical fitness test (to ensure they can adapt to the high altitude) before entering Lhasa, he said: "We've had a change of policy. It's up to the tourists themselves to decide. Two American ladies have died. We did our best for them, but they chose to come."

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Quite worthless

New words for old, by Philip Howard

defines "to valorize": to fix and maintain an artificial price for (a commodity) by governmental action. Chambers on "valorization": fixing of price. Longman on "to valorize": (to try to) enhance the price, value, or status of by organized (usually governmental) action. For example: Using subsidies to valorize coffee.

I have a friend who edits a chemical journal who keeps on stumbling over the word with its hovering red pencil. For example: "The valorization of carbon monoxide", meaning its conversion into something useful, such as methanol. OK. OK. methanol is useful as a solvent, antifreeze, or a raw material in chemical synthesis. I know, because I have just looked it up, and I prefer to believe chemists than to

but discussed at length the circumstances in which it might occur) includes the sentence: "And, in certain situations where the tutor is an attractive, sympathetic, and charismatic figure, it can be hard for the students not to respond as women accepting valorization for their femininity for their intellectual efforts and ideas."

This suggests that "valorize" has acquired a new, pretty technical, very trendy meaning among sociologists, those slovenly users of English, meaning, I suppose, "to value (for)", or "evaluate". It is an impressive word. It will probably come into general use, possibly in both its sociological and its EEC meanings, as in: "The visiting sociologist valorized the newly discovered tribe for its primitiveness, but they valorized her in the wok or cooking pot." Remind me never to use the word. Remind me to strike it out of copy from anybody, be he or she as important even as the Queen Mother or the Archbishop of Canterbury.

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David Watt MP or PR: who has real power?

For anyone with a philosophic interest in the frailties of human nature, and stomach muscles strong enough to stand occasional paroxysms of laughter, I can heartily recommend the latest report of the House of Commons select committee on members' interests. The committee has been reviewing the problem of parliamentary lobbyists - that is, "those who seek, for rewards, to influence the decision of the House by direct communication with Members".

What is the problem? Everyone agrees that there has been a vast increase in lobbying in the last decade. We have not yet reached the American situation where there are 3,200 officially registered "lobbyists" in Washington and probably another 10,000 unregistered ones. But there are certainly swarms of public relations consultants in London who deluge MPs with glossy literature, telephone calls, lunches, bottles of whisky and offers of lavish free trips of "inspection" and all the other means of persuasions that modern "communications" techniques afford.

In the past the House of Commons has taken the relaxed view that all this activity is harmless enough and is, indeed, merely a professionally streamlined extension of the economic principle that citizens must be allowed to put their own case directly to their representatives. Provided (as has been the case for the last five years) MPs are required to register all their sources of "pecuniary advantage" (including substantial hospitality and gifts) then we can be sure that no "undo" influence is being exerted.

But now doubts have arisen. As the committee remarked in its report: "This is an area of activity... which is not as open as it might be and where rumour and press speculation feeds." To put it less coyly, there are too many stories of undeclared interests and connections, and too much evidence that the public is turned off by the now quite frequent spectacle of MPs profiting from lobbying their fellow members and the government, even when they do declare what they are up to. It is all beginning to stink.

What is to be done? It is obviously bad for public morale and the credibility of the constitution if the House of Commons gains the appearance of seedy venality. It is also clear that the time is not far in the future when the abuse of the system could become so widespread that there might be some genuine distortion of the legislative process. For these reasons it seems pretty obvious that some serious attempt should be made without delay to restore confidence.

There is only one respectable argument against doing much at present. That is that the power of MPs is so much less than that of the government and its whips that anyone who spends a large amount of money on them is wasting his cash. There is obviously some truth in this (though not enough to justify doing nothing at all). But the joke is that it is not an argument that either the select committee or its witnesses can use. The committee is firmly impaled on the horns of the

dilemma of being obliged on the one hand to affirm that all MPs are immensely important and influential (for which reason it would be a national calamity if they were corrupted) and on the other of trying to explain how, in that case, they can possibly avoid recommending drastic and uncomfortable actions to put the good name of Parliament above suspicion.

The public relations industry, which furnished the evidence to the committee, was in an even worse quandary. If it claimed to be too powerful it would force the committee to investigate it; if it told the truth, and admitted that it didn't have a very critical influence, it would lose its clients.

The committee's star witness, Sir Trevor Lloyd Hughes (and old parliamentary journalist who became Harold Wilson's press secretary and later turned political PR) gave a hilarious presentation of his difficulty in his evidence. He had taken the foolhardy step of distributing to the committee the commercial handout he uses to entice custom to his firm. This document includes claims that he maintains "regular relations" with Cabinet ministers and their Civil Service advisers, provides "accurate inside information" and that he had performed various tremendous feats in the past including gaining tax in the past from the government and changing laws on the press and trade unions.

The committee naturally pounced on these, leaving the wretched Sir Trevor to mumble that they must understand that this was a "commercial document" (that is a pack of hypertease) and to try to relieve the situation by a hasty display of name-dropping to the benefit of anyone who happened to read the transcript ("It is right to say, chairman, that I had a personal note only last week from Mr Speaker and he struck out 'Dear Trevor' and he had said 'My Dear Trevor'").

In the end, of course, both sides of this discussion scrambled out of their difficulty by sleight of hand. The Institute of Public Relations proposed a register of lobbyists on American lines which they must have known was largely irrelevant in British circumstances. The committee diverted attention to the obvious snags of a register and to minor issues such as the possible abuse of journalistic access to Parliament. It simply ducked the main issue of tightening the rules governing the behaviour of MPs.

The possibility of a statutory declaration of interest by MPs (as opposed to a merely conventional injunction) is not mentioned even to be discarded; the notion that MPs should be obliged to declare the actual amounts as opposed to the simple fact of their rewards from the government and its whips that anyone who spends a large amount of money on them is wasting his cash. There is obviously some truth in this (though not enough to justify doing nothing at all). But the joke is that it is not an argument that either the select committee or its witnesses can use. The committee is firmly impaled on the horns of the

moreover... Miles Kington Aunt Maud rolls over Beethoven

A Musical Conversation. Russell Harty talks to Ludwig van Beethoven. Harty: Ludwig van Beethoven, welcome to one of my little musical conversations. Now, the first thing I want to ask you, Ludwig - I may call you Ludwig, mayn't I?

Beethoven: If you want to.

Harty: The first thing I want to ask you is whether, as a very musical person, you were interested in music from a very early age?

Beethoven: Certainly. My first compositions date from very early on.

Harty: Well, now, it's extraordinary you should say that, because I too tried writing music when I was very young, and I don't mind telling you that it was an utter disaster, of which the memory even now makes me go funny. I had two musical aunts.

Beethoven: And so you shall in a moment, but first let's hear one of my very, very favourites.

Harty: Wonderful, wonderful music. As a matter of interest, did you make a lot of money from your compositions?

Beethoven: Pardon? I am a little deaf, you know.

Harty: Now, it's quite extraordinary that you should have mentioned that, because the other day I truly and honestly believed that I was going deaf. People were talking to me and I could see their lips moving, but I couldn't hear a thing. It was quite frightening. And so you know what? - I was wearing a pair of ear-phones! The relief was quite devastating. Because I do think that deafness is an awful, awful thing.

Beethoven: Pardon?

Harty: So let's hear something very loud now, shall we? And what better than a song by Ethel Merman, a truly delightful person who I was lucky enough to meet recently at a party given by a very very dear friend of mine, none other than...

music. You must have loved being in Vienna. Beethoven: Well, being occupied by Napoleon's troops... Harty: Now, it's quite extraordinary you should mention him, because if there's one person I think I might like to have been, I'm almost certain it's Napoleon. He went to so many fabulous places and met so many famous people, and all expenses paid of course, and you get the feeling that he was a terribly interesting person who just got into the wrong job by mistake. Would you like to have been Napoleon ever? Beethoven: No. Harty: In that case, would you like to choose a record? Beethoven: I would like to hear one of my symphonies played by a competent orchestra. Harty: And so you shall in a moment, but first let's hear one of my very, very favourites. He plays something by Andrew Lloyd-Webber. Harty: Wonderful, wonderful music. As a matter of interest, did you make a lot of money from your compositions? Beethoven: Pardon? I am a little deaf, you know. Harty: Now, it's quite extraordinary that you should have mentioned that, because the other day I truly and honestly believed that I was going deaf. People were talking to me and I could see their lips moving, but I couldn't hear a thing. It was quite frightening. And so you know what? - I was wearing a pair of ear-phones! The relief was quite devastating. Because I do think that deafness is an awful, awful thing. Beethoven: Pardon? Harty: So let's hear something very loud now, shall we? And what better than a song by Ethel Merman, a truly delightful person who I was lucky enough to meet recently at a party given by a very very dear friend of mine, none other than... (Ludwig van Beethoven has now switched his hearing aid off and so shall we.)



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

BANKERS IN DISGRACE

The Chancellor was understandably anxious in the Commons yesterday to focus attention on the lessons of the collapse of Johnson Matthey Bankers for the future of banking supervision in a period of impending revolution in London's financial markets. It was, after all, the purpose of his statement to report on the review of the method and legal structure of supervision he set up last December in the wake of that spectacular collapse. It could prove a timely exercise and needs to be an effective one.

Nothing Mr Lawson said, or might have said, however, could distract attention from the sorry chapter of mistakes, confusion and miscalculation that is now synonymous with the JMB affair. The roots of that tangle lie principally in the extraordinary degree of incompetence displayed by the managers of Johnson Matthey Bankers and in the conflict between the lessons learnt respectively by the Government and the Bank of England from the financial and industrial problems of the mid-seventies. The Government learnt that it was damaging the long-term health of the economy to bale out lame ducks in the public or private sector with public money, a lesson it was applying with painful rigour last year in the case of the National Coal Board. The Bank of England had learnt from the fringe banking crisis that in the event of an impending bank failure that might have wider repercussions on London financial markets, it should act swiftly and decisively to ensure that confidence was maintained - a lesson learnt painfully by many other central banks from Hong Kong to New York.

Ironically, the Bank of England's initial mistake in suspecting but not acting sufficiently early to contain JMB's problems was almost a replay of events in 1973. It had then depended on a personal and flexible method that relied on authority and advice with only drastic reserve powers rather than on bureaucratic monitoring and control of banks. The solution was to establish a much more systematic (albeit "two tier") form of supervision, entrusted in administrative changes and in the 1979 Banking Act, to cope with the great increase in the number and types of banks brought by

the growth of London as an international financial centre. Yet in 1984, the Bank's supervisors again failed to judge their men sufficiently harshly and, partly as a result, failed to apply the overweight reserve powers, finding formal authority too inflexible. Even when JMB was on the point of collapse, the Bank's officials repeatedly miscalculated the depth of the pit of losses that JMB had dug for itself.

That may explain the apparent ineptitude of the long weekend meeting which finally resulted in the Bank nationalising JMB. In general, the Bank has taken a more sympathetic interest in falling industrial firms than the Government. But it has restricted its intervention to quiet operations organising commercial banks to provide support for drastic re-organisations as an alternative to immediate receiverships. It hoped for a similar private sector solution to the problems of Johnson Matthey, casting the Canadian Bank of Nova Scotia, which had an interest in the bullion markets in which JMB traditionally operated, in the role of an aided saviour. The Canadian bank, however, proved a more shrewd judge of the magnitude of the task and demurred. In the ensuing panic complicated by the large number of parties involved, the Bank of England fell back on its instinct to protect confidence in the London gold market at all costs and failed to carry the clearing banks with it except in the most grudging and foot-dragging fashion.

From then on, the desire of the Chancellor, and particularly the Bank, to minimise the apparent conflict between the Bank's policy in the City and the Government's policy towards industry, led to a series of miscalculations. The Bank continually minimised the amount of money involved in the rescue, with the result that each leak or piece of news was worse than the last. A strange fiction was proposed that the Bank's constitutional independence of action somehow extended to its funds not counting as public money. And, in an extraordinary episode, the Bank failed to disclose an "additional" £100 million turned into capital to the Chancellor causing him to mislead the Commons. The relationship between the

Treasury and an independent central bank is bound to be tricky, as the degree of detailed control and independence wax and wane. It will undoubtedly have worsened at the expense of the Governor and his senior officials whose status depends on demonstrated competence in their own field. In the end, the Chancellor cannot, however, avoid responsibility for politically sensitive actions of the Bank, nor, in such circumstances, maintain the fiction that the Bank's money is not public money. Mr Lawson has rightly taken charge, not merely of legislative measures to improve the structure of supervision for the stresses ahead, but also for improved supervisory management at the Bank.

The Governor and the Chancellor now need to work out more detailed groundrules to mesh the Bank's policy for maintaining City confidence with the Government's policy of avoiding the unnecessary use of public money to supplant market forces.

It is, for instance, open to question whether it was necessary to prevent Johnson Matthey Bankers from failure. A distinction needs to be made for the future between isolated failures due to incompetence with few effects on confidence, which require no intervention and, at the other extreme, difficulties which have a general cause as in 1974 when central bank action to maintain confidence is plainly necessary.

The difficult ground lies between, and it is here that the greatest risks will lie in the dramatic changes in the business of many financial institutions when the Stock Exchange is fully opened to competition next year. The Bank has rightly insisted that those backing new dealing firms in the gilt-edged market must stand behind them. It also needs to impress on the banks, particularly the leading joint stock banks, that they will need to accept a greater role in safeguarding the markets on which they depend, even if this occasionally means bailing out competitors at their own expense. Building societies and life assurance companies have long understood their responsibilities to their own markets. Banks should now understand that it is primarily up to them to support the integrity of City markets.

WELL, MINISTER?

The shadow of Poining is long. It is not that civil servants approve the man's conduct or ethics, either before his prosecution or since; on the contrary, the government did itself a disservice during the affair in failing to recognize the depth of reaction against Mr Poining among his peers. It is, rather, that his trial and acquittal sharpened a mood, a sense of dismay compounded of dissatisfaction with salaries, fear of the onrush of the new managerialism; a failure to accommodate the government's determined bid to shrink Whitehall's numbers; and, overall, an impression that the government in its radicalism had failed to think clearly about where the servants of the State, schooled in older concepts of bureaucratic neutrality, fitted in Mrs Thatcher's grand scheme.

Were that mood only the selfish efflorescence of an injured interest group, it might safely be ignored. But there is more to it than that. Whitehall's notions of loyalty, implementation and public service are too precious to be discarded without more and deeper thought about the nature of civil service in the smaller, less intrusive state which this government in its fits and starts is working towards. And so it is right that officialdom's own leaders should address that mood, as they have this week.

The Secretary of the Cabinet speaks rarely in public. Yet his address earlier this week in Brighton was a surprisingly personal bid to lift the gloom - a robust statement of his guardianship of the civil service's corporate spirit. He emphasized his authority of the code of conduct issued in the wake of the Poining trial, by repeatedly invoking the name of a great post-war Cabinet Secretary, Sir Edward Bridges. Sir Robert Armstrong reminded both his

political masters and his staff of historical continuity in Britain's administration. Inevitably - no public utterance of Sir Robert would be complete without this - there was reference to Cecil and Elizabeth, a citation at once immensely flattering to the Cabinet Secretary and acutely complimentary to the Prime Minister.

By itself such an address would have been inadequate. But the response of the upper mandarin to post-Poining malaise has been double-barrelled: Miss Anne Mueller of the Management and Personnel Office was brought on stage to give a vivid encomium of the new managerial credo and present a model of a professional, trained, energetic civil service fit to take the nation into the twenty-first century.

It was always envisaged that the benefit of Lord Rayner's scrutiny of Whitehall work practices would only be temporary unless tough-minded management could be built into the daily life of departments. Such is the ambition of the financial Management Initiative and Miss Mueller conjures a growing network of committed officials acting in their various departments as agents of change, missionaries of the doctrines of efficiency and value for money. They surely deserve to inherit Whitehall.

When they do, the major obstacles to efficiency will be called into question. Among them are Whitehall's multiple unions. Miss Mueller talks of moving away from the present rigid grading structure towards greater catholicity of skill, personnel moving freely between jobs and in and out of specialisms, indeed in and out of Whitehall: can the Civil and Public Services Association and

its aping of industrial unionism (down to and including its Communists) live in such a reformed world?

But it is not only anachronistic union boundaries and habits that impede this bid to invigorate Whitehall with a managerial ethos. Miss Mueller and her colleagues have absorbed the language of private enterprise: her idealized managers are autonomous, energetic. And what do they do when a callow politician comes trying to nudge the system in favour of a constituent or when a minister interrupts the managerial flow because he is in a funk about Parliamentary debate? The weakness in this model of civil service reform is its connection with politics, the untidy often shabby life of democracy.

By convention, it is ministers and Parliament which takes care of the politics. Officialdom is passive until the moment when decisions are made, then the machine snaps into life. But of course this is a naive representation; the force of Sir John Hoskyns' critique of Whitehall lies along the axis of decision-making - only officials who provide the impetus before the machinery of implementation is set going. Miss Mueller plays tentatively with ideas of a "core" civil service of permanent officials and a changing pool of specialists, experts and the politically involved moving in and out around it. Perhaps her model could be developed; but the thinking should come from the political side. This week has seen an impressive re-statement and elaboration of Whitehall's late twentieth century ethos, from the bureaucrats. It is time these trailing coats were picked up by the Prime Minister, her colleagues and their political advisers.

Government proposals would be to reduce the protection of future generations of private-sector pensioners. The proposals have been drawn up by ministers advised by Civil Servants both of whom enjoy index-linked, earnings-related pensions. As I am a pensioner I should not be affected by them, but I should like to know the views of employees who would. Yours faithfully, N. Y. COBB, Northanger, Colekitch Lane, Gomsball, Surrey

Grounds for anger in schoolroom

From the Headmaster of Stunground School

Sir, A fine young mathematics teacher at my school, two years into the profession, is to attend an in-service course at Cambridge's request. She has already a very good degree; the extra study will help implement a new scheme but will not improve her qualifications or prospects in the slightest.

Her contribution to the cost will be almost £50. Her net monthly income is £380. As a single person paying mortgage, rates, heating and telephone from one salary she has about £60 a month available for food, clothing, petrol and discretionary spending.

She has to listen to comments on her "meat" refusal to accept a 2 per cent pay cut this year; she is denounced with her colleagues on a regular basis as in need of appraisal and reform. She has freely given her lunch times and evenings for nothing, now local authorities want her voluntary labour written into a contract.

Her classroom seldom contains fewer than 30 pupils. Her "action" this year is to leave the school at lunchtime and to join her NUT colleagues in not attending parents' evenings.

I am much more indignant about her experience than she is; I am constantly angry that the energetic and altruistic men and women who work with me are so disparaged and disregarded. I weep bitter tears of frustration that no reasoning of mine will shake the ignorance and occasional malice of politicians and newspaper editors.

Our leaders are rich enough to be detached about money and too foolish to see where their daily slander leads.

Yours sincerely, B. C. BARKER, Headmaster, Stunground School, Peterborough Road, Farret, Peterborough, Cambridgeshire, June 12.

Future of universities

From Professor Terence R. Lee

Sir, Max Taylor is right, of course, in claiming (May 27) that what is taught at the universities is mainly intellectual. Many young graduates, not surprisingly, remain inept in the "practical virtues" and the "generalized skills of getting things done" to which he refers. It is even sadder that many people, graduates or otherwise, signify fail to acquire these after long years in industry.

Regrettably, the time affordable on first degrees at university in this country is hardly sufficient for the integrated training of both intellectual and practical skills and virtues. A notable exception is the four-year sandwich degree course favoured by my own and a few other universities, but its general adoption would cost money. So would other means of extending training in this way. Postgraduate masters' degrees frequently meet the criteria, but these are few and far between and students cannot afford the fees.

Until there is a change of policy, perhaps we could look to industry to adjust its expectations and to learn that new graduates, though intelligent and trained, are bound to be inept in matters in which they have been denied previous experience. Industry, which so frequently trumpets its excellence in the qualities extolled by Mr Taylor, should have little difficulty in inculcating them during the first few years of employment. Indeed, the ample possession of these qualities by the industrialist should point him to both the need and the means.

Universities, if properly supported, will continue their specialist role in training the intellects of their students (an essential if not sufficient requirement) and acting as a wellspring and reservoir of intellectual matters for the community as a whole. Sadly, the threatened further cuts in investment will certainly curtail all these forms of productivity.

Yours sincerely, TERENCE LEE, University of Surrey, Guildford, Surrey, May 29.

Levin and the NUJ

From the Hon General Treasurer of the National Union of Journalists

Sir, Bernard Levin is entitled to his opinions, but he should not disguise the truth in pursuit of personal prejudice. The latest tirade against his union, the National Union of Journalists (June 7), presents a monstrous image of victimisation by a ruthless coterie of union officers - of which I am alleged to be one - against their General Secretary. To justify this charge Levin has deployed conjecture, distortion and inaccuracy. He has relied on hearsay and the barest amount of documentation. First, Levin outlines a problem of NUJ staff entering the service of the union late and thus requiring that their pensions be topped up on retirement. He says "in 1980 a decision was taken to put the union's most responsible employees on a proper pension basis". This is untrue. There is no record of such a decision. Levin says that the then General Treasurer, John Devine, decided to implement this decision. This is untrue. John Devine did not become union treasurer until 1982. Levin says that at an NEC meeting on December 20 last year serious complaints raised by staff pension schemes trustee Henry Bate were raised without advance warning to NEC members. This is untrue. On receipt of Bate's letter I wrote to General Secretary, Ken Ashton, and made it clear that I intended to put Bate's complaints, addressed to the NEC, to the December 20 meeting.

Freedom of action in housing market

From Mr Peter Horden, MP for Horsham (Conservative)

Sir, Your leader (June 12) makes the case decisively for the repeal of the Rent Act, at any rate for first-time lets. There is another aspect, however, which seems to me to strengthen the case still further.

Many young people from the North come South in search of work, but find nowhere to live. The local authorities in the South have a statutory duty to find them accommodation, which they fulfil by finding bed-and-breakfast rooms, paying up to £80 a week at present.

The cost to the taxpayer of providing bed-and-breakfast has soared, in 1979 it was £52 million. Last year, it was thought to have been £80 million. The average payment for this kind of accommodation, which is often disgraceful, is £52 a week, and the Government proposes a ceiling in London of £70 a week. All that will happen is that more people will be crammed into smaller space, and the cost to the taxpayer will continue to grow.

It is hard to see what possible objection there could be to allowing those who have property, and those who wish to pay rent for somewhere to live, to come together and agree a rent for a new let. People could then move freely to find work, as they do in virtually every other country.

The cost to the taxpayer would, in time, fall, because the landlord would be taxed on his earnings, as would his tenant, who would have found a job, possibly for the first time. The longer the present situation is allowed to continue, the longer will remain the division between North and South.

Yours faithfully, PETER HORDEN, House of Commons.

Evil in the air

From Mr Jeremy Gainsford

Sir, The image of a German air hostess obeying orders to sing out from their fellow citizens those of her passengers with "Jewish-sounding names" (report, June 18) is both an uncomfortable and a distasteful one. Such a distinction is even more alarming in view of the inevitably perilous consequences for those unfortunate passengers thus selected.

I appreciate that fear and self-preservation are potent forces, often overwhelming, so, but if this selection was indeed made by a member of the airline staff whose concern must be for the welfare of all her passengers, then to confuse her actions with heroism is to subscribe to the twisted language that confers the title of "Justice Minister" upon the very man who now holds the bulk of the hostages captive in Beirut.

Yours sincerely, J. GAINSFORD, 31 York Terrace East, NW1.

Enforced exodus

From Dr E. K. Banakas

Sir, In violation of both the letter and the spirit of the Lausanne treaties of 1923 for the protection of religious minorities in Greece and Turkey, the Turkish authorities have ordered, and are proceeding with, the demolition of one of the oldest and more beautiful Christian monuments of Constantinople (Istanbul), i.e., the Church of St George of Makrihor.

Since 1955 the systematic persecution and unofficial oppression of the Greek Orthodox, Armenian and Jewish minorities in Istanbul has caused an unparalleled exodus of persons belonging to these communities to Greece and Israel. From approximately 140,000 in 1956, Greek Orthodox in Istanbul number today only 4,000, according to a statement by Patriarch Demetrios to the Turkish daily *Millett*.

On the contrary, the Turkish minority in Greece never had any problems and are flourishing, having just elected two members in the new Greek Parliament. Very soon the Greeks of Istanbul will be unable to have any meaningful presence in this historic city. The official Turkish aim, with this, have been achieved. Is anybody in the West interested?

Yours faithfully, E. K. BANAKAS, University of Essex, Wivenhoe Park, Colchester, Essex.

ON THIS DAY

JUNE 21 1837

William IV who reigned from June 1830 died on June 20 1837. That morning the new monarch Queen Victoria held her first Privy Council when she read a speech prepared by her ministers led by William Lamb, second Viscount Melbourne (1779-1848). The "Times" had never had a great opinion of him; his laissez-faire attitude, lack of sympathy with reform, his persecution of the Tolpuddle Martyrs and above all his assessment of the Irish nationalist Daniel O'Connell, all these traits "Times" had noted in a long leading article on the day following the Queen's accession. In the event the paper's views were groundless; Melbourne's "guardianship of the young Queen was exemplary."

Her original tenancy agreement, dated February 1, 1943, let her flat in Wembley to her for £87 per annum. This sum included rent, rates, water rates and service charges. This figure prevailed until 1951.

Today, this same flat costs her £2,418.41p per annum, an increase nearly 28 times the original figure. What kind of protection has this lady, nearly 83 years old, received from the Rent Acts? Four fifths of her small income is swallowed by her flat charges. Most of the tenants are elderly; one particularly impoverished lady hasn't enough left to even pay the increase and for years has lived on subsistence rations.

This lady has a file of correspondence from MPs and secretaries of state, none of whose responses have been of the slightest help in curtailing the rapacious landlords.

Cosseted tenants indeed! Good God, Sir! Wake up!

Yours faithfully, PHILIP J. PECK, 53 Ponsopby Place, SW1, June 17.

Letter from a pilot

From Group Captain Ronald L. S. Couz

Sir, Your reprint of Pilot Officer Rosemary's letter to his mother ("On this day" column, June 18) brought back vivid memories of a lively, insouciant young officer who, on the surface, was quite the unlikeliest member of the squadron to write such a letter.

He possessed tremendous vitality and a seemingly insatiable urge to enjoy every moment of life to the full - almost as if he did have a premonition, although he denies this in his letter. His verve and high spirits were reflected in his flying and I can still recall quite clearly the one occasion on which we shared the same aircraft.

My log book records that on October 6, 1939, we flew out of Marham airfield, Norfolk in Wellington LA245 in order to carry out "formation flying and low attacks". The log does not reveal, however, that PO Rosemary literally flew the Wellington to its limits, almost as if he was putting himself to the test as well as the aircraft.

I am certain that when he and his crew met their deaths a few months later they went to the limits and probably beyond in order to ensure the success of their mission.

In the interest of accuracy may I point out that the squadron in question was No 38(B), motto *Ante lucem* - "Before the dawn".

Yours sincerely, R. L. S. COULSON, The Paddock, Brampton Ash, Market Harborough, Leicestershire, June 18.

Out of bounds

From Mr Ronald Lever

Sir, Your third leader (June 19) describing the state of affairs at our national monument, Stonehenge, is the most sensible comment so far on the present troubles - and to a Wiltshireman is a real breath of fresh air and it is applauded. Your comment of a festival of music, drugs and sex, is only an upgrading of the late A. P. Trotter's assessment in 1927 of charabancs, gramophones and beer (*Antiquity*, vol 1, p.52).

Yours faithfully, RONALD LEVER, Reads Close, Teffont Magna, Salisbury, Wiltshire, June 19.

Beating off bees

From Mr John A. Cooper

Sir, Mr Kass (June 15) need not have worried, for there is no such thing as a swarm of angry bees. A swarm is invariably in a state bordering on ecstasy, for they are all going on their holidays - if not their honeymoon.

Each one carries haversack rations for about three days; many carry comb-building material so that they can start building their new home that very night; the weather forecast is good - otherwise they certainly would not have swarmed - and they are following the scouts who have already located their new home and are now leading them to it.

If they appeared to be following Mr Kass, it can only have been because he was inadvertently between the scouts and the following swarm.

The best thing to do under these circumstances is to step aside and wave as they go past.

Yours faithfully, JOHN A. COOPER, 1 Church Street, Clun, Craven Arms, Shropshire.

THE QUEEN'S ACCESSION

... We declare, then that nothing has not been done to mitigate those apprehensions which will... the last fortnight we have from day to day expressed of evil likely to befall the new reign, if the probable causes of it, if not by the Queen's own hand, were prepared against.

The proceedings of yesterday have not dispelled our fears; but, on the contrary, much tended to enhance them. It is not to be wondered at that has been announced as to the correct and becoming manner on which Her Majesty, on this first performance of a public duty, read the declaration composed for her and demanded herself before the members of her Council, we are still bound to regard that declaration on the same constitutional ground which governs the construction of King's speeches to Parliament - as merely the declaration of the Minister by whom it was framed. And who is that Minister? No other than Lord MELBOURNE, the Whig slave of the Radical Joseph HUME, and the Protestant monarch of Great Britain. The same Lord MELBOURNE who has for these two last years and more been leaving open war against, or trickily undermining the ancient laws, the fundamental institutions, and the Protestant monarchy of Great Britain. Has he (under the tuition of Middlesex Joseph) turned black into white? Has this Whig-Radical "Bishopian changed his skin?" - this "leper" of Popery his "scab"?

The speech of yesterday was Lord MELBOURNE's speech, and what was its character? Why, the greater portion of it a string of common-places. "I was a part something worse, for I was a mixture of implied misrepresentation and dangerous, because indefinite, pledges."

Lord MELBOURNE makes the young Queen congratulate herself on succeeding a monarch whose "desire to promote the amelioration of the laws and institutions of the country" has rendered his name the object of general attachment and veneration.

Now, here is an assumption which involves a notorious falsehood. It is positively untrue that King WILLIAM desired to promote such schemes of feckless and unauthoritative policy which Lord MELBOURNE chooses to designate by the word "ameliorations". It is known to every member of decent society throughout England, that King WILLIAM desired and adhered to every one of those projects of which such spoliation, both here and in Ireland, which in sundry direct as well as indirect forms it was the incessant scheme of Lord MELBOURNE and his associates to bring about the abolition of the Crown King WILLIAM. It is notorious, would, had he felt strong enough, have released himself from the "ameliorations" and from the Ministers too - that he tolerated either as a means of bringing about the abolition, and yet this unhappy condition of the late Sovereign is indignantly misrepresented to the young Queen by Lord MELBOURNE, who imposes it upon Her Majesty as a state of things which King WILLIAM desired to bring about.

We have seldom heard of any political expedient more unprincipled, more treacherous, or unfeeling than this. It is an actual trepanning of their innocent Sovereign into a course of policy subservient to their own selfish interests, and an abuse more glaring than we have ever before witnessed of that confidence which a helpless Princess has been compelled to place in a band of unscrupulous advisers. We call upon our countrymen to watch the progress of these machinations, and then to mark their issue. We appeal to the Conservative spirit and wisdom of the realm to rouse themselves, and save the laws and religion of the people of England from destruction. They have not many weeks to prepare. With a new Parliament, jobbed by a Ministry decked out in the robes of King William's new Sovereign, and with an overwhelming creation of rable Peers, what obstacle, let us ask, is there in the way of these men to an entire and irretrievable overthrow of the British monarchy?

Beating off bees

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The best thing to do under these circumstances is to step aside and wave as they go past.

Yours faithfully, JOHN A. COOPER, 1 Church Street, Clun, Craven Arms, Shropshire.

STOCK EXCHANGE PRICES

Shares mixed

ACCOUNT DAYS: Dealings Began June 17. Dealings End, June 28. Contango Day, July 1. Settlement Day, July 8. Forward bargains are permitted on two previous days.

THE TIMES Portfolio

From your Portfolio card check your eight share price movements. Add them up to give you your overall total. Check this against the daily dividend figure published on this page. If it matches you have won outright or a share of the total daily prize money stated. If you are a winner follow the claim procedure on the back of your card. You must always have your card available when claiming.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for INDUSTRIALS A-D, INDUSTRIALS L-R, ELECTRICALS, and BANKS DISCOUNT HP.

Weekly Dividend table with columns: MON, TUE, WED, THU, FRI, SAT, Weekly Total.

Please make a note of your daily totals for the weekly dividend of £20,000 in Saturday's newspaper.

Table with columns: High, Low, Price, Change, Gross Div, Yld, P, E. Includes sections for BRITISH FUNDS and SHORTS (Under Five Years).

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for SHORTS (Under Five Years) and FIVE TO FIFTEEN YEARS.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for OVER FIFTEEN YEARS and UNDATED.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for INDEX-LINKED and PROSPECTIVE REAL REDEMPTION YIELD ON PROJECTED INFLATION RATE.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for BREWERIES and BANKS DISCOUNT HP.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for ELECTRICALS and BANKS DISCOUNT HP.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for BUILDING AND ROADS and CHEMICALS, PLASTICS.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for CHEMICALS, PLASTICS and CINEMAS AND TV.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for CINEMAS AND TV and DRAPERY AND STORES.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for DRAPERY AND STORES and HOTELS AND CATERERS.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for HOTELS AND CATERERS and INDUSTRIALS A-D.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for INDUSTRIALS A-D and INDUSTRIALS E-K.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for INDUSTRIALS E-K and INDUSTRIALS L-R.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for INDUSTRIALS L-R and FINANCE AND LAND.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for FINANCE AND LAND and FOODS.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for FOODS and LEISURE.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for LEISURE and MINING.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for MINING and L-R.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for L-R and S-Z.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for S-Z and OIL.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for OIL and OVERSEAS TRADERS.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for OVERSEAS TRADERS and PAPER, PRINTING, ADVERT'G.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for PAPER, PRINTING, ADVERT'G and PROPERTY.

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Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for SHOES AND LEATHER and TEXTILES.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for TEXTILES and MOTORS AND AIRCRAFT.

Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for MOTORS AND AIRCRAFT and NEWSPAPERS AND PUBLISHERS.

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Table with columns: No., Company, 1985 High, 1985 Low, Price, Change, Gross Div, Yld, P, E. Includes sections for OIL and OVERSEAS TRADERS.

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THE TIMES Portfolio DAILY DIVIDEND £2,000 Claims required for +34 points Claimants should ring 0254-53772

FINAN Execu Share in U... ger pr... tton top 'knew of fraud'... the national level... had tightened... policy... Hutton has... had tightened... general to... national invest...

WALL STREET

Early slip for Dow

New York (Reuters) - Shares were mixed in early trading as investors pondered new economic figures showing the economy in growing at a 3.1 per cent annual rate in the second quarter.

The figure was higher than some had expected and raised questions about how it would affect the Federal Reserve policy.

The Dow Jones industrial average was down 0.45 points to 1,296.93. Declines led advances by a five-for-four ratio on volume of 8.24 million shares.

Cinetix Peabody was the most active issue, unchanged at 33. AT & T was second, up 1/4 to 24.

Meanwhile, in Washington, it was announced that profits of US corporations after tax had declined 4.4 billion (\$3.18 billion) or 2.8 per cent, in the first quarter of this year to a seasonally adjusted annual rate of \$137.0 billion, the Commerce Department said.

The decrease was steeper than the decline of \$1 billion, or 0.7 per cent, the Department estimated one month ago.

After-tax earnings declined \$700 million, or 0.5 per cent in the first quarter of 1984 to a level of \$14.0 billion.

The first quarter level of after-tax profits was down \$13.6 billion from the first quarter level of \$150.6 billion in the first quarter.

CANADIAN PRICES

Table listing Canadian prices for various commodities like Wheat, Soybeans, and Corn, with columns for item, unit, and price.

COMMODITIES

It was dollar which loomed over all trading yesterday. The actual US flash second-quarter GNP figure was not such a surprise, except that it showed low growth had been in the first three months.

Precious metals were especially hard hit by the dollar's recovery. Gold led the way down and disappointed market commentators.

Three months' 220C HIGH GRADE Cash 21.00-21.00, Silver 21.00-21.00, Silver Large 21.00-21.00, Silver Small 21.00-21.00.

SOYABEAN 21.00-21.00, WHEAT 21.00-21.00, CORN 21.00-21.00, RICE 21.00-21.00.

COCAINE 17.00-17.00, HEROIN 17.00-17.00, MARIJUANA 17.00-17.00.

MEAT AND LIVESTOCK COMMISSION Average market prices of representative markets as of 11.00 AM.

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FOREIGN EXCHANGES

The dollar made sharp gains yesterday, thanks to the strong ex-GNP estimate for the second quarter. The dollar closed at 3.0745 against the mark a gain of 5.55 pence on the overnight.

The renewed strength of the dollar saw sterling fall to \$1.2690 before it closed off the bottom at \$1.2792 after \$1.3065 overnight.

The pound's recent rise had been overdone, according to some dealers, and it was also sold off against the Continental currencies closing weaker against the Mark. For instance, at 3.9274 (3.9395).

The effective index reinforced 1.2 points to 79.8. Markets were quiet in the morning but nervous following the release of the data.

STERLING SPOT AND FORWARD RATES

Table showing Sterling Spot and Forward Rates for various currencies like New York, London, and others.

OTHER STERLING RATES

Table showing other Sterling rates for currencies like Argentina, Australia, and others.

DOLLAR SPOT RATES

Table showing Dollar Spot Rates for various currencies like Australia, Canada, and others.

INVESTMENT TRUSTS

Table showing Investment Trusts with columns for High, Low, Company, Price, Change, and P/E.

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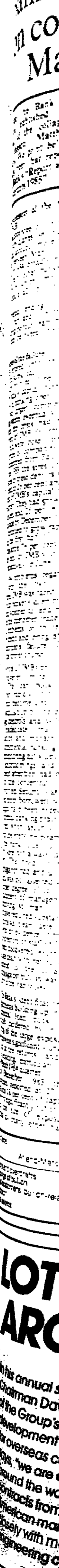
THE TIMES UNIT TRUST INFORMATION SERVICE

Large table containing Unit Trust Information Service data, including various fund names, prices, and performance metrics.

Table containing LONDON FINANCIAL FUTURES data, including various futures contracts and their prices.

Table containing MONEY MARKETS AND GOLD data, including interest rates and gold prices.

Table containing EURO-CURRENCY DEPOSITS data, including deposit rates for various currencies.



Bank of England report on collapse of Johnson Matthey Bankers

Yesterday the Bank of England published its account of the collapse of Johnson Matthey Bankers. We print below extracts from that report in the Bank's "Report and Accounts 1985".



Robin Leigh-Pemberton
Bank of England Governor

The development of the business of JMB.

The balance sheet of the bank and its subsidiaries set out in its annual accounts, more than doubled between March 1980 and March 1984 (broadly in line with those of other banks, in aggregate) by which time total assets stood at £2.1 billion, see table.

Commercial lending, in the form of loans and overdrafts, grew during the four years much faster than the overall balance sheet.

The causes of the failure.

JMB entered into several large exposures, each of them equivalent to over 10 per cent of the bank's capital base, as part of its banking operations. The two largest commercial exposures which eventually precipitated the crisis had been customers of JMB for several years; both were loosely associated groups of companies run by businessmen from Pakistan. By June 1983 the size of the exposures to these debtors were equivalent to 26 per cent and 17 per cent of JMB's capital base respectively. They had grown to 51 per cent and 25 per cent of capital base by December 1983. They continued to grow rapidly during the first half of 1984, reaching some 76 per cent and 39 per cent of JMB's capital base, respectively, in June 1984.

In 1984 problems began to arise with the two large exposures. JMB was faced with a familiar banker's dilemma of deciding whether to lend more to help the customer trade out of its problems or to refuse further credit and bring about the customer's failure. JMB chose the former course.

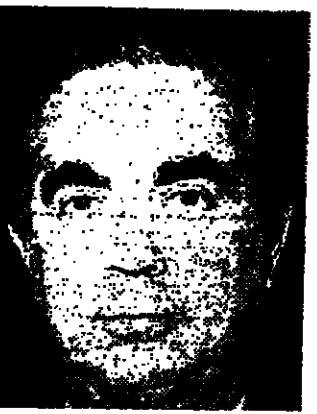
The roots of JMB's problems were, however, more deep-seated. The loan book had grown very rapidly since 1981 and it has become clear since JMB's acquisition by the Bank that the controls and systems were inadequate; that the organisation and management of the commercial banking and credit monitoring activities had serious shortcomings; and that sufficient attention had been given to the concentration of risks involved. Security was not equated for borrowers when his might have been expected under normal banking practices, and even when security was acquired the steps necessary to live the bank title to the security were not always taken properly. The need for provisions against bad and doubtful debts was not assessed with the proper degree of caution. The judgment of management approving so many loans which have required substantial revisions was clearly defective. However, no evidence of fraud by the directors or staff of JMB was discovered, except in one case dealt with before, and material to the collapse. Lending against bullion was not a factor in the loan losses.

The Bank's identification of the problems building up in the commercial loan book was seriously hindered by misreporting of the large exposures (which were significantly understated in the returns), and by late reporting, particularly for the March 1984 quarter.

In December 1983 these exposures, reported at 27 per cent and 18 per cent of capital, were not significantly out of line with the size of exposures carried by many other banks



Christopher McMahon
Deputy Governor



Peter Cooke
In charge of supervision

(though JMB's exposures were not to first-class names). One other large commercial exposure, which is now considered doubtful, was reported in the March 1984 return as equivalent to 14 per cent of capital; this was about half the true exposure. A further doubtful exposure equivalent to 27 per cent of capital was omitted altogether. The levels of the largest exposures at the end of March, even as reported, would have caused the Bank to request an early meeting with JMB's management. But the report for March, which was due in the middle of April, was not received until June in spite of JMB being pressed to provide it on several occasions.

Lessons for the future.

One of the problems may have been that management and the parent company did not themselves realise the extent to which JMB was building up problems and subsequently did not appreciate their seriousness. In addition, reporting was inaccurate and misleading and at a critical point was late - and significantly later than the Bank stipulates. It appears that most of the misreporting was due to the deficient systems in JMB, and a lack of understanding of the Bank's reporting requirements and lack of co-ordination between different departments, rather than to a deliberate attempt to mislead the Bank.

In this connection, it would be emphasized that the critical problem which surfaced in September 1984 was in no way connected with the bullion business, which was generally

millions	At end-March 1980	1981	1982	1983	1984
Loans and overdrafts	34	78	135	184	309
Holdings of bullion and customers' bullion-related account	678	786	804	1,226	1,359
Total assets	874	1,040	1,163	1,735	2,089

well managed and profitable. The problems related exclusively to JMB's commercial lending business. The reason for the rescue operation.

The Bank's fundamental reason for rescuing JMB was a deep concern for the systemic consequences if it was allowed to fail. The Bank, the commercial banks and the other members of the gold market involved on the night of 30 of September 1984 were convinced that, had JMB not been rescued, there would have been unacceptable consequences for the banking system as a whole. This belief the Bank still holds. JMB is a member of the London gold market. The failure of one of the five main participants would therefore have created a situation of extreme uncertainty.

The other members of the gold market would, because of their presumed exposure to JMB, have come under immediate suspicion and there would probably have been a very rapid withdrawal of liquid funds from all of them.

At the time the rescue occurred, confidence in financial markets generally was fragile in the wake of the continuing international debt problems and particularly of the crisis at Continental Illinois National Bank where, despite the action taken by the US authorities to rescue that bank, US banks suffered some loss of confidence for some time afterwards.

While the form of the rescue operation was still being discussed, and there had been no announcement made about the difficulties in JMB, it was learned that in the Far East some major foreign banks were refusing to deal with first-class British banks (including some not belonging to the gold market) with whom they had very long-standing connections. This strongly underlined the need for speedy and decisive action.

As part of its bullion operations JMB received substantial deposits of gold from a number of foreign governments and central banks. Losses on these official deposits could have had particularly serious implications for the sending of gold and confidence in British banks generally.

The detailed review of the loan portfolio is largely complete. In the light of their current circumstances the level of provisions deemed appropriate by the new board of JMB as at 31 March 1985 was £245 million, of which only £20 million had been provided by the previous management.

To meet the balance of the provisions against JMB's commercial loan book, together with a contribution towards funding costs, the Bank has provided JMB with an indemnity of up to a maximum of £150 million. The Bank's liability is offset by counter-indemnities of up to £75 million from a number of banks and members of the London gold market.

The total amount for which the Bank and the counter-indemnitors are liable as at 31 March this year is likely to be of the order of £265 million. In its efforts to recover as much as possible of the expected losses, the board of JMB is intent to pursue all the legal and other remedies open to it.

Much of JMB's lending had been in US dollars, and where provisions against such loans have had to be made, it has been necessary to purchase currency to cover these potential losses. Such cover has been effected using a deposit of £100 million placed with JMB by the Bank in November. This deposit has also enabled JMB to make two-way business in the money markets.

It is the Bank's intention to dispose of JMB at the earliest practicable opportunity. A number of institutions have already expressed interest in acquiring JMB and Baring Brothers & Co. Ltd. have been appointed by the Bank to advise on the strategy for disposal.

Hanson looks set to sell Ever Ready

By Derek Pain and Pam Spooner

Hanson Trust plans to sell Ever Ready, the battery maker it bought just three and a half years ago. That was the talk in the City yesterday, adding to the wealth of speculation about strategy at Hanson following the recent £519 million rights issue. Hanson paid £100 million for Ever Ready (Ever Ready) at the end of 1981 and quickly rationalized its businesses and steadily improved its profits record. In the four years before the Hanson takeover, Ever Ready saw profits decline by nearly two-thirds to roughly £10 million. At the trading profit level Ever Ready was making about £17 million.

That trading profit figure progressed to more than £30 million last year and is forecast to reach £37 million this year. Nurdin & Peacock shares slipped 4p to 154p yesterday, but market talk of a stake build-up is still strong. Sources close to the cash and carry group have said there is no sign of a predator, but the shares have been actively traded in this sector and rose 12p on Wednesday.

Given that Hanson recouped some £40 million of its acquisition costs through sell-offs, Ever Ready has been one of the conglomerate's best bargains. Analysts reckon Ever Ready is now worth up to 200 million with plenty of buyers happy to pick up the tab. The battery group has about 55 per cent of the alkaline, long life, market.

One broker, Quilter Goodison, has said in an annual review of Ever Ready that, while the future still looks good for the group, "trading performance is likely to be somewhat more sedate" as the internal efficiency drive, coupled with the elimination of unprofitable business, cannot be repeated. "If that is the case, this would be a good time to offload Ever Ready; both the company and the stock market are at a trading high."

Hanson is not known for rapid turnaround in its acquisition, and some market men feel the sale of Ever Ready is unlikely. But with Hanson obviously in the midst of a notable strategy reappraisal, there are many others who reckon such a move is more than possible.

What Hanson strategy is remains the real question, however. With all this cash building up the City still fervently expects a mammoth acquisition, either in this country or North America. Another view is also gaining credence. Since Hanson Trust is a close watcher and user of the stock market, the timing of its cash call and any sell-off of Ever Ready might simply signal the group's belief that the market has reached the end of the current bull market; therefore, "get your cash while you can."

Certainly, yesterday's performance in the market is no encouragement for the "bulls", with Hanson the shares themselves continuing to weaken, down 1p to 190p. The premium on Hanson rights is also fast disappearing, the all paid drifting down 1p to 7p.

Institutional investors, particularly those involved in underwriting the Hanson cash call and the plethora of other demands for money, are watching the rights issue carefully. Any hitch could leave the underwriters with cash flow problems. Rumours that BTR also plans a wopping rights issue, once Hanson is out of the way, is also tending to harm investment in the Square Mile. Equities were in ragged

retreat. Sterling's sudden decline and the apparent continuation of American economic growth indicated by the "flash" gap figures, choked off hopes that interest rates will soon be cut.

Speculation that a leading investment trust was about to start liquidating its portfolio also clouded sentiment. The FT 30 share index fell 8.8 points to 974.1 points. The 100

Expect Geoffrey Davis, the Ford main dealer which has moved successfully into park homes and portable buildings, to achieve profits of £4.5 million this year against £3.7 million. Much of the impetus over the next few years is likely to come from the D. J. Wraith portable buildings side. The shares were unchanged at 111p yesterday.

strong FT-SE share index closed at 1,276.3 points down 7.8 points. Government stocks were tormented by the transatlantic GNP figures. They gave up early gains to end up to 2 1/2 down.

Insurances were one of the most active market sectors. After early mark downs the sector came to life as a variety of rumours flowed.

On top of the excited speculation there was the even better than forecast first day performance of Abbey Life Group. The shares closed at 231p, a premium of 51p.

Royal Insurance was the subject of speculative talk, reclaiming much of an early loss

to close at 683p. Allianz, the West German insurance group which failed to win Eagle Star, was the suggested bidder. But not all were convinced of a German bid. Others were convinced that the expected Royal statement would contain a rights issue.

To add to the confusion there was also talk of a major flotation following the Abbey Life success.

Naturally, amidst the excitement, a few takeover glances were directed at Commercial Union, down 2p to 231p.

Windsor Securities, the insurance broker, slipped 1p to 36p as Mr Maurice Fullerton, chairman, confirmed he was in negotiations to buy two insurance brokers. They make profits of about £360,000, more than double the present WS total, and would cost about 3.6 million WS shares.

Harold Perry, the garage group, was unchanged at 98p with Mr Ron Brierley, the Australian based New Zealand entrepreneur declaring a shareholding of 7.45 per cent.

Electricals continued dull although Rascal Electronics gained 8p to 194p. Year's figures are due next week and the market is looking for about £128 million. Takeover talk again spurred United Scientific Holdings. The shares rose 7p to 190p. Plessey is the favourite to bid. British Telecom shaded 1p to 178p and STC was unchanged at 146p despite rumours that ITT was about to sell its shareholding.

Hawker Siddeley again reflected disappointment with its

yearly shareholders' meeting. The shares fell 16p to 421p. J H Fenner, where rumours suggest that Hawker could renew its bid intentions, eased 1p to 126p.

On the drinks pitch, Arthur Bell & Sons slipped 8p to 260p. Approaching two million shares went through the market in an arranged deal on Wednesday.

Heavitree Brewery, based at Exeter, made a quiet USM debut, with the "A" shares closing at 440p.

Banks were subdued. Johnson Matthey, the precious metal group, was up 3p to 91p as its former banking arm was the subject of two reports.

Westland, the helicopter group, at one time divd 45p to 75p. Bristol Rotocraft has withdrawn its offer. The shares closed at 93p, 27p down.

Procter & Gamble told British analysts and institutions earlier this week that it sees gloom lifting from its profits record in the second quarter of 1985/6. But it also added some remarks on the US "cookie war". P & G looks likely to take a strong line, putting pressure on United Biscuits. UB shares slipped 5p to 187p yesterday, while P & G stock was quoted up 50 cents at \$54 1/2.

Brammer shares dipped another 10p to 308p as Buzzi formally announced that its bid for the engineering group has lapsed. Market men hope to see Buzzi back in the takeover market soon, but it looks as though DRG has been crossed off the shopping list; DRG shares slipped 2p to 178p. Buzzi shares eased 3p lower to 430p.

Debenhams closed 2p lower at 385p as House of Fraser continued to nibble at the stock, lifting its shareholding to 7.6 per cent. Bidders Burton Group slipped 12p to 462p. The Debenhams bid defence document is due today.

In a generally dull stores sector, Dixons Group fell 17p to 687p and Stead & Sampson, as takeover hopes faded, eased 10p to 203p.

Traded option highlights

Business continues to progress steadily on the trades option floor, with yesterday seeing the first day of dealing in the market's second currency contract. The dollar and Dealing scheme option attracted only a small number of trades - 142 - but all went smoothly. The option is based on DM62,500 per contract, and Bank of

America has said its plans to join the market makers on this one.

London traders are also looking forward to a link up with the Philadelphia exchange, which will allow free interchange of contracts between the two markets.

Elsewhere in the trades options, ET contracts totalled

2,077 out of a total of 8,495 trades. Stock market index options were also still in demand, with 875 contracts traded, and Hanson options were active, a total of 707 contracts changing hands. The dollar and sterling currency options, which was introduced last month, chalked up 1,549 trades.

COMPANY NEWS

● **LOOKERS:** Half-year to March 31. Interim dividend 1.6p (1.5p). Figures in £000. Turnover 78,046 (72,042). Group trading profit, before tax, 1,007 (762).

● **CROWN HOUSE:** Crown House has purchased, for cash, the Terrace Mason Investment Group. It will be integrated into the tableware division (Dema Glass). TMI manufactures silverware and cutlery in Sheffield and Birmingham.

● **HEADLAM, SIMS AND CO:** Year to Jan 31. No final dividend (1.6p). Figures in £000. Group turnover 7,719 (4,703). Pre-tax profit 109 (profit 306).

● **TENNECO:** Tenneco and Goodyear Tire and Rubber have signed an agreement in principle providing for the purchase by Tenneco of selected natural gas businesses from Goodyear. Total consideration in cash and debt assumed will exceed \$500 million (£381 million).

● **RAYFORD SUPREME HOLDINGS:** 26 weeks to March 29. Interim 1.7p (same). Figures in £000. Turnover 18,785 (14,525). Profit before tax 1,244 (1,260).

● **CONTINENTAL AND INDUSTRIAL TRUST:** Final 14p (13p), making 20p (17p) for the year to March 31. Figures in £000. Pre-tax revenue 5,552 (4,881). EPS 20.2p (17.71p). Net asset value per share 743p (572.3p).

● **ARCTUR LEE:** Six months to March 31. Interim 0.6p (0.3p). Figures in £000. Turnover 38,831 (33,045). Pre-tax profit 1,542 (369). Tax 433 (56). Extraordinary credit 624 (nil). EPS 3.54p (0.98p).

● **KEANING MOTOR GROUP:** Six months to March 31. While the total dividend for the year will depend on the second half, the directors propose to pay the same interim of 2.5p as last year. Figures in £000. Turnover 202,603 (173,087). Loss before tax 438 (profit 1,808).

● **COURTS (FURNISHERS):** Final 2.95p making 4.7p (same) for the year to March 31 (figures in £000). Turnover 86,908 (79,433). 2000. Trading profit 2,252 (9,883). Depreciation 1,269 (1,148). Interest 2,105 (1,419). Pre-tax profit 6,996 (6,972). Tax 2,850 (3,000). Extraordinary debts 787 (200). Earnings per share 17.4p (16.9p).

● **APPLETREE:** A placing has been arranged by Grieverson Grant of 1,492,000 ordinary shares of 10p at 138p each in the USM. Some 442,000 of these shares are being sold by Mr D C Johnson and 1,050,000 are being issued to raise about \$1.18 million. The group is principally engaged in pre-packing, distribution and wholesale marketing of vegetables. A pre-tax profit of not less than £700,000 is forecast for 1984/85 and the board intends a single dividend of 1p. Market

capitalization at the placing price is £7.24 million.

● **MARLEY:** The company, in a rationalization of its land holdings in the retail field, has agreed to sell 12 of its freehold and long leasehold retail workshops, occupied by its subsidiary, Payless 'DIY' to Courtauld Pension Fund for £9.13 million. Marley has also agreed in principle to sell its US houseware businesses to the US firm of Michigan, Price York Casey Inc. of Michigan. Price York Casey Inc. supplies a variety of \$15 million (£11.4 million) in cash, plus a \$10 million 20-year

convertible loan note. Both components of the consideration are subject to adjustment.

● **PAYION INTERNATIONAL:** To more accurately reflect the company's main line of business and to avoid confusion with Sanyers Photographic, Sanyers has changed its name to Payion International.

● **GOOD RELATIONS GROUP:** The company has acquired Face Research, which supplies a variety of creative services to the communications industry.

Hanover Investments
(Holdings) p.l.c.

Estate Agencies;
Financial and property services

Results for year ended 28 February	1985	1984
Trading profit	6000	5000
(before tax and exceptional items)	703	510
Earnings per share	9p	7.1p
Assets per share	82p	64p
Dividends per share	3p	2p

Druce & Co., Spencers, Alexander Stevens Druce & Co., Ronald Preston & Partners, F. S. Daniell & Son

We are well placed to make further progress this year.

WE INVITE FIRMS WISHING TO MAKE SIMILAR PROGRESS TO JOIN OUR EXPANDING GROUP.

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Aid plan has cost Britain £987m

By Henry Stanhope

Twenty-one of the world's poorest countries have had their aid debts to Britain wiped out under the Retrospective Terms Adjustment (RTA) programme...

Power boat challenges Blue Riband

From Colin Hughes Guernsey

Hopping over by sea from Southampton to Guernsey for lunch would be impossible for any ordinary boat. For the Virgin Atlantic Challenger it was a mere morning jaunt...

The world's largest power boat, a sleek 65ft catamaran which will attempt next month to break the speed record for crossing the Atlantic and reclaim the Blue Riband trophy...

On its Solent Mr Ted Tolman, the boat's skipper and five times British Class 1 powerboat champion, opened the two 2,000-horsepower turbocharged diesel engines to full throttle...

Inside, the cabin looked more like the bridge on the Starship Enterprise. The orange-suited crew sat in padded, high-backed seats. In front of them, an impressive array of technology provides electronic navigation, computer gauges for the engines, and even a ship-to-shore telex link.

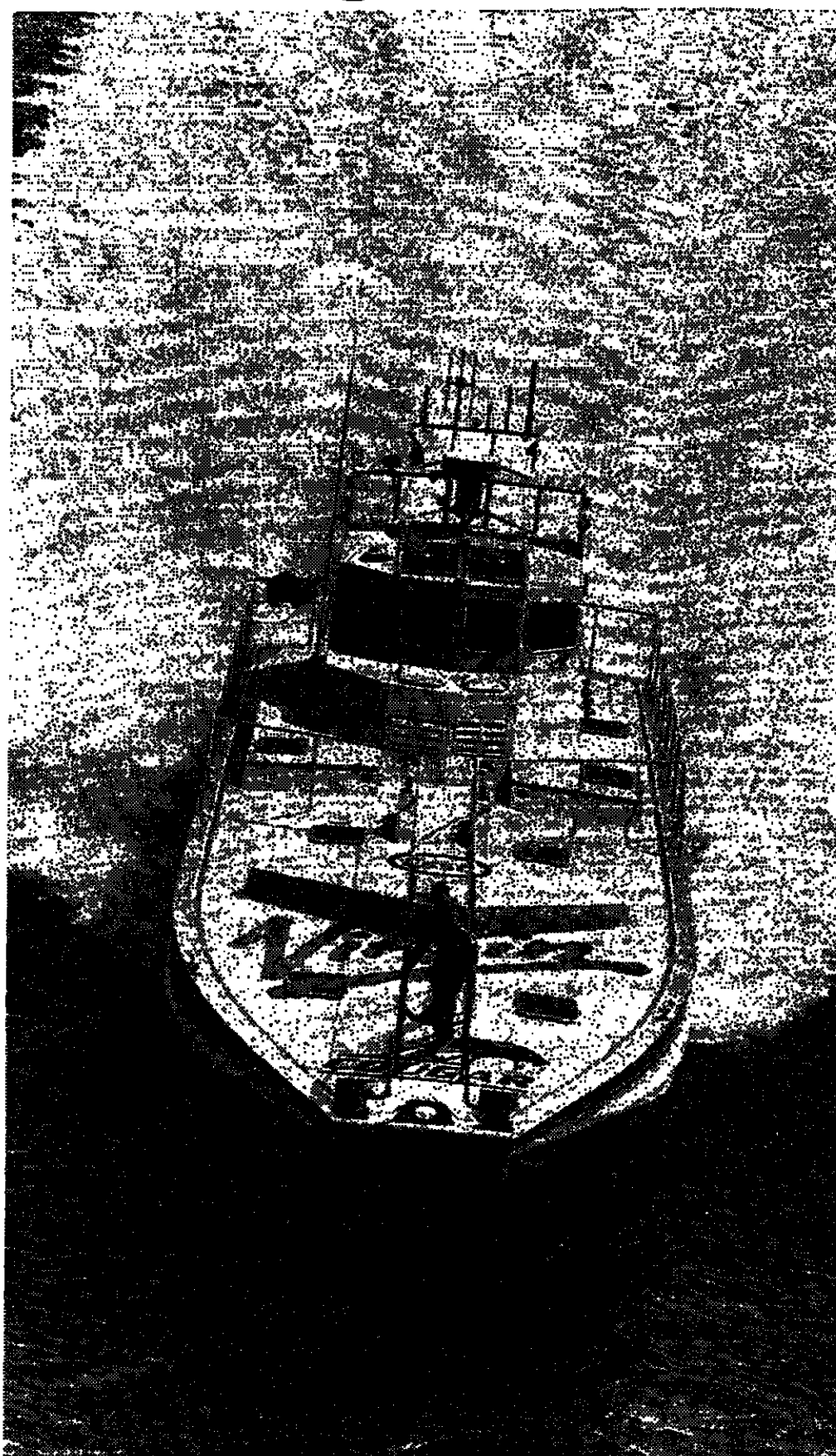
The nine men who will sail the Challenger from New York on July 19, assuming good weather, must wear headsets to communicate over the engine's din and constant vibration as the hulls slice through choppy seas.

At such a pace the booming and scudding of the boat as it strikes the Atlantic swell over a three-day voyage will cause the crew their greatest stress.

Challenger will refuel her 3,000-gallon tanks three times from vessels alongside, off Nova Scotia, Newfoundland, and in mid-Atlantic.

The whole project has cost £2.5 million. Mr Richard Branson, owner of Virgin, bought the boat and is acting as a fare-paying passenger.

Mr Tolman, whose company, Congar Marine, built the boat, hopes to knock 15 hours off the three days, 10 hours and 40 minutes record, from New York to the Scilly Isles.



The Virgin Atlantic Challenger at speed in the Solent yesterday (Photograph by Harry Kerr)

Hostages at chaotic press conference

Continued from page 1

that I have personally met with today to verify their condition and their general well-being.

Amid a growing din from photographers standing on the table in front of him, Mr Conwell tried to shout above the noise. "In addition to myself, there is the Reverend Thomas J. DeSilva..." Here he interrupted himself to shout to the press: "Please, gentlemen, please be quiet and act like gentlemen..."

It was a preposterous spectacle but also, perhaps, a slightly amusing one for both journalists and militiamen. While many reporters remained silent, others were pushing and shouting, especially photographers from France. And while one gunman tried to restrain his militiamen, others went berserk in trying to beat those Western correspondents nearest to them.

It certainly elicited far too little information from the five men who are at the centre of an international crisis involving America, Israel, Greece and, of course, Lebanon.

It was typical that when the table was first laid, with 39 chairs set, apparently for all the hostages, and cakes and water placed upon it, airport security guards, air traffic controllers and even the airport's Lebanese Deputy Director turned up to watch what they believed would be a television spectacular. But it went badly wrong.

Mr Berri earlier had said that he had accepted an offer by the Swiss Foreign Minister to use Switzerland as a location to exchange the 40 or so passengers from the hijacked TWA jet in Beirut with 764 Lebanese Shia Muslims held without trial in an Israeli prison camp. While Mr Berri's statement appeared promising, there was no indication that the Swiss has secured either American or Israeli agreement to the plan.

Linda Christmas in the Commons Squeezing a tedious day for humour

It was a busy day; Thursday can be like that. There were questions to the Minister of Agriculture and his team on this and that, from English strawberries being squashed by competition from abroad and milk production being soured by EEC quotas...

Indeed it seemed that the only things that were not being squashed, soured or squeezed were the crime figures and the tonnage of drugs seeping into the country.

It was a distasteful catalogue for the squeamish and became more so when the Leader of the House announced that the business for next week would include yet another EEC debate (it was the subject of yesterday's main debate as well). By that time, squeamish or not, members had realized that being busy can be dull and at being serious can be tedious. Where was the heat and the humour?

Mr Donald Dixon, the member for Jarrow decided to generate a little of both, and he did so by accusing the Speaker of bias. He suggested that during Prime Minister's question time, the Tories were favoured.

The Speaker, a man known for his fairness, looked wounded through and through, from the toe of his shiny buckled shoes to the tip of his bejewelled head which he shook gracefully to show that he did not accept the accusation while he graciously listened to complaints from the disaffected.

In between, he tried to explain that he had not changed the policy he adopted when he became Speaker two years ago, and that it had to be borne in mind that there were more Tories in the House and that, in any event, Mr Kinnoch, got the lion's share of the Opposition's chance to question the Prime Minister.

Mr Peter Shore did not like this at all; the Speaker seemed to be setting a precedent by saying that members were called to speak according to the distribution of seats and that Mr Kinnoch's habit - a privilege granted to him by tradition - of putting three questions, three lengthy questions - meant that other Opposition backbenchers were being penalized.

Strawberries were not the only precious fruits being squeezed, not milk the only product going sour. The accusations continued until Mr Robert Maxwell-Hyslop suggested that it might be a good idea if Opposition backbenchers took the Minister privately with Mr Kinnoch and did not vent their spleen on the Speaker under Points of Order. The Speaker, in turn, agreed to reflect on what had been said, and in particular on what he had said.

So much for the heat but the House can never have enough humour. And it was suggested that since Prime Minister's question time generates so much bickering, perhaps it might be a good idea if next Tuesday and Thursday the didn't bother to show up at all.

She could go to Brecon instead and discover what that electorate thought of her instead of coming to the House to discover what members thought of her.

There was also some muttering about members arming themselves with portable television sets to relieve the tedium by following the Test match, but it was not clear whether the reception was good enough to promote such a scheme. Nor was it clear that such a move would put an end to the bickering, or that an end to bickering was something to be desired. Fractious members, squashed, squeezed, soured are more popular than sombre statements.

The Chancellor of the Exchequer provided the latter as he painstakingly tried to explain what on earth had been going on between a city bullion bank called Johnson Matthey and the Bank of England and attempted to soothe the now silent House by announcing measures to ensure that the sorry episode would not be repeated.

THE TIMES INFORMATION SERVICE

Today's events

New exhibition: Drawings, paintings, sculpture and ceramic sculpture by 75 gallery artists; Colin Jellicoe Gallery, 82 Portland St, Manchester; Mon to Fri 10 to 6, Sat 1 to 5 (ends Sept 14).

Alchemical Windows: platinum and silver photographs by Pradip Malde; Stills Gallery, 105 High St, Edinburgh; Tues to Sat 12.30 to 6 (ends July 6).

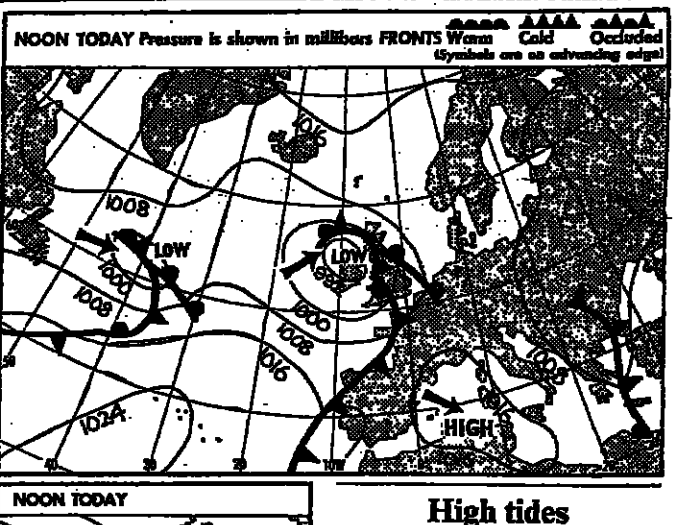
Museum, Kelvingrove, Glasgow; Mon to Sat 10 to 5, Sun 2 to 5 (ends June 30).

Food prices: Home grown strawberries, delayed by the cold weather, should be in the shops by early next week. New late fruiting varieties are expected to prolong the season beyond July, and reasonably good raspberries and cherry crops are also anticipated.

Roads: The Midlands: A34 Roadworks on Birmingham to Oxford Rd at Shipston on Stour, in Church St. M6: Southbound carriageway closed between junctions 3 (A444 Coventry) and 4 (M42 Birmingham E); two-way traffic on northbound carriageway; northbound Coventry services closed. M1: Connaught between junction 16 (Northampton) and 17 (M45 Coventry S).

Weather forecast: A complex area of low pressure will move from the W to be centred over the British Isles by the end of the day and its associated troughs of low pressure will cross all but the far NW of Scotland.

6am to midnight: London, SE, central SE, central N, NE England, East Angles, E Midlands, Central Wales; Rain, heavy in places; drizzle; max temp 18C (64F).



The Times Crossword Puzzle No 16,769

A crossword puzzle grid with numbers in the starting squares. The grid is 15 squares wide and 15 squares high.

ACROSS: 1 Is this for kindling an artistic impression? (7). 2 Bristling but set on fire? (7). 3 Puffed softly, it somehow skipped along? (9). 4 Stop one leaving the country? (5). 5 Kind of frog - Tenniel's first character - did the high jump? (5). 6 Runs limited for these players? (9). 7 The hopeless imp masquerading as a devilish character? (14). 8 Egg, with a charge for salt? (7). 9 Where Sabrina may have met a boy? (6). 10 What market gardeners are said to do in borders? (9). 11 Note on illuminated volume? (5). 12 Wrigler that could become a jelly fish? (5). 13 Rail signal accepts The Scotsman - maybe good idea? (9). 14 Nearly 100 involved in theft? (7). 15 Oriental festival's name? (7).

Parliament today

Commons (9.30): Debate on small firms. Lords (11): Sonia Ann Billington and Norbury Billington (Marriage Enabling Bill, second reading, Sexual Offences Bill, committee).

Anniversaries

Births: William Ayton, poet and critic, Edinburgh, 1813. Deaths: Edward III, reigned 1327-77, London, 1377; Luigi Jones, London, 1632; Edouard Vuillard, painter, La Baule, France, 1940; Antanas Siskaras, first President of Indonesia 1945-67, Jakarta, 1970. The German Grand Fleet was scuttled at Scapa Flow, 1919.

Top films

The top box-office films in London: 1 A View to a Kill, 2 Witness, 3 Birdy, 4 The Cotton Club, 5 The Untouchables, 6 A Passage to India, 7 Beverly Hills Cop, 8 Falling in Love, 9 Starman, 10 Ghoulies.

Top video rentals

1 Tighrop, 2 Remancing the Stone, 3 Conan the Destroyer, 4 Once Upon a Time in America, 5 The Company of Wolves, 6 Police Academy, 7 Streets of Fire, 8 G.I. Joe, 9 The Untouchables, 10 The Untouchables.

Portfolio

Portfolio: how to play. Monday-Saturday record your daily Portfolio total. These figures together to determine your weekly Portfolio total.

The pound

Table showing exchange rates for various currencies: Australia \$ 1.52, Austria S 13.76, Belgium F 36.36, Denmark D 16.57, France F 6.55, Germany DM 1.93, Hong Kong \$ 7.80, India R 15.84, Italy L 1.93, Japan Y 163.60, Netherlands G 2.20, New Zealand \$ 1.52, Norway N 4.76, Spain P 166.64, South Africa R 1.52, Sweden S 4.76, Switzerland F 2.20, USA \$ 1.52, Yugoslavia D 13.76.

Lighting-up time

London 9.52 pm to 4.15 am, Birmingham 10.15 pm to 4.15 am, Manchester 10.15 pm to 4.15 am, Glasgow 10.15 pm to 4.15 am.

Yesterday

Table showing yesterday's highest and lowest temperatures for various cities: London 11.2-19.8, Birmingham 10.1-18.8, Manchester 10.1-18.8, Glasgow 10.1-18.8.

London

Yesterday's Temp: max 6 to 8 pm, 20C (68F); min 6 to 8 pm, 12C (54F); humidity 90 per cent. Rain: 5 to 6 pm, 0.02in. Sea level: 100.1m; bar: mean sea level, 5 pm, 1013.0 millibars; 25.25in.

Highest and lowest

Table showing highest and lowest temperatures for various cities: London 11.2-19.8, Birmingham 10.1-18.8, Manchester 10.1-18.8, Glasgow 10.1-18.8.

High tides

Table showing high tide times for various locations: London Bridge 11.2, Aberdeen 11.2, Avonmouth 11.2, Cardiff 11.2, Devonport 11.2, Falmouth 11.2, Glasgow 11.2, Harlow 11.2, Liverpool 11.2, Newcastle 11.2, Southampton 11.2, Swansea 11.2, Walsby 11.2.

Around Britain

Table showing weather conditions around Britain: East Coast (Sunderland 11.2, 16-61 Sunny), Midlands (Birmingham 12.1, 16-61 Sunny), South Coast (Brighton 11.2, 16-61 Sunny), etc.

Abroad

Table showing weather conditions abroad: Algeria 12-27, Colombia 12-27, Congo 12-27, etc.